

New Therapy Strengthens Brittle Bones in Elderly

By Lawrence K. Altman
New York Times Service

NEW YORK — The largest study ever conducted on osteoporosis has confirmed that a new treatment can strengthen elderly women's brittle bones and greatly reduce the risk of painful and deforming spinal fractures.

While the new therapy has not been directly compared with existing treatments, which use hormones, it appears to offer substantial advantages over them.

The new treatment can apparently increase bone mass more than the hormones, and reduce fractures more than an experimental treatment, sodium fluoride.

The treatment involves a drug, etidronate,

taken for 14 days; patients then take calcium for 76 days either in the diet or as a supplement.

In a study of more than 400 postmenopausal women, the regimen reversed the gradual loss of bone that characterizes osteoporosis.

Women taking the treatment had half the number of spinal fractures of patients who did not receive the drug. Etidronate halted the bone loss by slowing the natural process of bone removal; the calcium helped build bone mass. No significant adverse effects were found.

But the study did not find evidence that the regimen prevented broken hips, which are a less frequent but more serious hazard

of osteoporosis, which afflicts an estimated 15 million Americans, mostly women.

The research was reported Thursday in the New England Journal of Medicine. The etidronate-calcium regimen would presumably also benefit men with osteoporosis, said Dr. Nelson B. Watts of Emory University in Atlanta, who headed the team that did the study.

In an editorial in the journal, Dr. B. Lawrence Riggs of the Mayo Clinic and Foundation in Rochester, Minnesota, said etidronate was "a welcome new option" for treatment of osteoporosis.

Etidronate has not been approved by the U.S. Food and Drug Administration for treating osteoporosis. But the drug has

been marketed for several years for treating another bone condition.

The drug's maker is Norwich Eaton Pharmaceuticals Inc., a division of Procter & Gamble. Norwich Eaton has said it plans to apply for approval to market etidronate for osteoporosis.

Doctors are free to prescribe a licensed drug for a new use, and it is expected that many will prescribe etidronate for osteoporosis in the wake of the new report.

Dr. Watts said the etidronate regimen would cost about \$300 a year.

Osteoporosis results from an imbalance of the process of breaking down old bone and rebuilding new bone. The cause is not known.

Miners End Walkouts In Soviet Coalfields

The Associated Press

MOSCOW — Tens of thousands of coal miners returned to work Thursday after a one-day strike to back demands for improved living conditions.

According to the strike organizers, workers were back at work in the Ukraine's Don River coal basin, the Kuznets Basin of Western Siberia and Vorikuta in the Far North.

"All of the miners are working," said Nikolai Volynko, a strike organizer in Donetsk, the center of the Ukrainian mining region.

Miners' spokesmen in the other regions, contacted by telephone, said that mining operations were back to normal.

Miners staged the 24-hour walkout despite appeals from the Soviet government and the Communist Party.

In Donetsk, a rally passed a resolution Wednesday demanding that the government of Prime Minister Nikolai I. Ryzhkov resign, that party cells be removed from mines, economic enterprises, the KGB, army and police, and that party property be nationalized.

"We should kick the party not only out of the Ukraine, but everywhere," a mine construction worker, Viktor Klenko, declared at the rally.

No figures were available on the number of miners who walked off their jobs. But judging from the number of mines on strike in the Donetsk region, it appeared that about 100,000 miners stayed away. Strike organizers claimed that about 300,000 miners took part in western Siberia.

Mr. Ryzhkov told the 28th Communist Party Congress meeting on Wednesday in Moscow that 276 enterprises and 655 branches took part in the strike.

He said workers at 230 mines stayed off the job all day, and elsewhere, the walkout lasted from 2 to 12 hours.

"In light of what happened yesterday, we must quickly work out conclusions," he said.

The job action was a repetition of a long and bitter strike coal miners conducted last summer to press the Soviet government for better supplies of basic consumer goods, better pay and working conditions.

The government acceded to their demands, but has been unable to fulfill its promises.

LAW: No Change, SVP

(Continued from page 1)

the measure. Notaries, counsels, judges and traditional advocates fought to save the old divisions.

"Structurally, the American profession is 30 years ahead of us," said Bruno Boccaro, a leading Parisian litigator and vocal opponent of any change. "You have the spirit of enterprise we lack. But this project is futile — we don't need a legislative solution, only reflection."

The final package would turn the councils' jurisdiction to advocates but leave notaries and other specialists untouched.

Also saved would be the 180 bar associations and the restrictions on partnerships and salaries that help keep French firms small.

But thrown into the mix were two proposals that would all but shut down the American firms now operating in Paris.

One would force foreign, non-EC lawyers to take a grueling exam similar to the French bar.

As problematic for Americans would be a reciprocity clause inserted into the draft at the behest of large French firms that compete against U.S. multinationals.

That clause would set up entry requirements for foreign lawyers that would precisely match their home countries' requirements for French attorneys.

Mr. Boccaro defended the proposed new requirements, saying, "Americans will have the same rights as all French lawyers, but also the same obligations."

"The key word is reciprocity — and precisely what that means," Mr. Armstrong said.

CHINA: The Succession

(Continued from page 1)

among intellectuals now is not a challenge from the conservatives." Instead, he said, they fear that less capable leaders will take over after Mr. Deng dies and preside over the disintegration of China.

Many Chinese seem more pessimistic than Western diplomats and scholars. Many Westerners say they believe that civil war and upheavals on that scale are unlikely.

"All Chinese are concerned to a greater or lesser degree with centrifugal forces," said a Western diplomat, but added that China probably would not revert to the turmoil of the 1920s and 1930s.

"In the period of the warring states, you didn't have modern planes, fax machines, and the levers of control that we have now," the diplomat said.

Some Chinese say the recent experience of the Soviet Union, when Stalinism has declined while national minorities have pushed for autonomy or independence, has made the risk of disintegration more obvious.

WORLD BRIEFS

Kenyan Protester Leaves for Britain

NAIROBI (Reuters) — A prominent dissident lawyer, Gibson Kama, who has been in hiding from Kenyan authorities since political violence erupted over the weekend, has left the U.S. Embassy for Britain, an embassy spokesman said Thursday. The country was quiet after clashes in which at least 28 people have been killed.

The government of President Daniel arap Moi, which is struggling to quell opposition, had accused the United States of interfering in internal politics by sheltering Mr. Kama, 43.

The U.S. ambassador, Smith Hampton Jr., said in a statement: "I am personally grateful to the government of Kenya for permitting his departure and to the government of the United Kingdom for admitting him to Britain."

Lafontaine Assailant Unfit for Trial

COLOGNE (Reuters) — A woman who tried to kill West Germany's opposition candidate for chancellor, Oskar Lafontaine, by attacking him with a knife is unfit to face trial and should be confined to a psychiatric hospital, prosecutors said Thursday.

They said Adelheid Streidel, 43, was schizophrenic and asked a court not to proceed against her. They recommended that she should be detained for psychiatric treatment to prevent her from committing further crimes.

Mrs. Streidel stabbed Mr. Lafontaine, a Social Democrat and premier of the Saarland, in the neck with a butcher's knife after asking him for his autograph at the end of an election rally in Cologne on April 25. She narrowly missed cutting his carotid artery, which would almost certainly have resulted in death.

3 Die in Convoy Attack in Azerbaijan

MOSCOW (AP) — Three people died when Interior Ministry troops fired on Armenian militants who attacked a convoy in the disputed Nagorno-Karabakh Autonomous Region of Azerbaijan, Tass said Thursday.

Tass said the convoy of 16 trucks and a bus carrying Azerbaijani passengers was attacked Wednesday near the village of Charkar in Nagorno-Karabakh, a predominantly Christian Armenian enclave.

President Mikhail S. Gorbachev read a report of the shooting to the party congress in Moscow, then said that Azerbaijani delegates to the congress were justified in their demand that the Soviet leadership "put a stop to the outrage of lawlessness and bloodshed." At least 200 people have died in ethnic violence that has wracked Armenia and Azerbaijan for the past two years. The dispute centers on control of Nagorno-Karabakh.

Chinese Dismiss Dissident's Views

BEIJING (NYT) — In the first official response to critical comments that have been made over the past week by the exiled Chinese dissident Fang Lizhi, a Chinese Foreign Ministry spokesman dismissed the astro-physicist as not worth discussing.

The remarks were noteworthy largely because the Chinese had been so bellicose previously in their reaction to Mr. Fang, frequently describing him as scum and accusing him of inciting the demonstrations last year, which ended with the Chinese military killing hundreds of protesters in Beijing.

"Fang's conduct is not worth commenting on," Jin Guihua said. Mr. Fang left his refuge in the U.S. Embassy for Britain three weeks ago after lengthy diplomatic negotiations. He has given several interviews in which he has been critical of the United States for not being tough enough in trying to force China to adopt a more democratic political system.

Man Arrested in N.Y. Dart Attacks

NEW YORK (AP) — A messenger with a criminal record and psychiatric problems was charged on Thursday in 3 of 35 dart-blowing attacks on women in midtown Manhattan, the police said.

Jerome Wright, 33, of the Bronx was identified in a lineup by three women, the police said. He was charged with three counts each of reckless endangerment, criminal possession of a weapon and harassment. Mr. Wright, who is on probation for a drug conviction, is a suspect in the other attacks, the police said. He told the police he has been under observation for psychiatric problems.

Two police officers stopped him on a street Tuesday because he fit the description of the man who has been blowing homemade needle darts at the backsides of well-dressed women. No one has been seriously injured in the attacks, which began June 26.

Correction

A report on June 22 misstated a cutback by Mannesmann Kienzle GmbH, a computer unit of Mannesmann AG. The company is introducing limited short-time working for 900 of its 4,300 workers from mid-July.

TRAVEL UPDATE

Austria Shuts Key Highway Bridge

KUFSTEIN, Austria (Reuters) — Austria closed a bridge on a major highway linking north and south Europe on Thursday after discovering traces of a cave-in.

Officials said they had banned traffic from the bridge at Kufstein, west of Salzburg, after discovering a 25-meter (80-foot) support pillar had sunk about 50 centimeters (20 inches). The tunnel motorway is the main route between Germany and Italy and is used by thousands of vacationers each hour in July and August. Authorities said traffic will have to be diverted and the bridge closed for about a year for repairs. Long delays and traffic jams are expected.

SAS Cancels 192 European Flights

STOCKHOLM (Reuters) — SAS canceled 192 flights within Scandinavia and Europe on Thursday because its Swedish pilots walked out for one day over a pay dispute.

The airline announced that about one-third of its 610 flights had been canceled but that intercontinental service was running normally. The walkout was the first of five threatened by the 750 Swedish pilots in the airline's 1,800-pilot staff. The pilots union has set other walkouts for July 16, 20, 23, and 27.

Air Inter to Strike for Bastille Day

PARIS (Reuters) — About 4,000 ground staff of the French domestic airline Air Inter will strike for better pay and conditions from early Friday for one day, probably disrupting the July 14 national holiday weekend, unions announced.

The action is expected to force the delay or cancellation of 15 percent to 50 percent of flights but should not affect international flights or flights to Corsica, a spokeswoman said.

WEATHER

EUROPE				ASIA			
	HIGH	LOW			HIGH	LOW	
Amsterdam	22	15	F	Beijing	31	24	F
Albania	28	21	F	Bombay	31	24	F
Athens	28	21	F	Hong Kong	28	21	F
Berlin	24	17	F	Manila	31	24	F
Bombay	31	24	F	Seoul	31	24	F
Buenos Aires	24	17	F	Singapore	31	24	F
Cardiff	24	17	F	Taipei	31	24	F
Cairo	24	17	F	Tokyo	31	24	F
Canton	24	17	F				
Chengdu	24	17	F	AFRICA			
Copenhagen	24	17	F	Algiers	24	17	F
Dublin	24	17	F	Cape Town	24	17	F
Edinburgh	24	17	F	Harare	24	17	F
Faro	24	17	F	Lima	24	17	F
Geneva	24	17	F	Lusaka	24	17	F
Helsinki	24	17	F	Nairobi	24	17	F
London	24	17	F	Tunis	24	17	F
Luxembourg	24	17	F	LATIN AMERICA			
Madrid	24	17	F	Buenos Aires	24	17	F
Moscow	24	17	F	Lima	24	17	F
Nairobi	24	17	F	Rio de Janeiro	24	17	F
Paris	24	17	F	NORTH AMERICA			
Prague	24	17	F	Anchorage	18	11	F
Rangoon	24	17	F	Atlanta	24	17	F
Reykjavik	24	17	F	Boston	24	17	F
Stockholm	24	17	F	Chicago	24	17	F
Strasbourg	24	17	F	Cincinnati	24	17	F
Vancouver	24	17	F	Dallas	24	17	F
Warsaw	24	17	F	Denver	24	17	F
Zurich	24	17	F	Houston	24	17	F
MIDDLE EAST				Los Angeles	24	17	F
Abu Dhabi	24	17	F	Memphis	24	17	F
Amman	24	17	F	Minneapolis	24	17	F
Baghdad	24	17	F	New York	24	17	F
Bangkok	24	17	F	Philadelphia	24	17	F
Beirut	24	17	F	San Francisco	24	17	F
Bombay	24	17	F	Seattle	24	17	F
Buenos Aires	24	17	F	Tampa	24	17	F
Cairo	24	17	F	Toronto	24	17	F
Calcutta	24	17	F	Washington	24	17	F
Chengdu	24	17	F				

East Germany Pays To Retain Workers

Reuters

BERLIN — The East German government is keeping hundreds of thousands of workers off unemployment rolls by paying companies to retain them, a senior East German official said Thursday.

Max-Volker Dahme, an official in the Labor Ministry, said 222,000 workers were on short-time benefits and that another 240,000 had applied.

"If these people weren't on short time they'd be unemployed," he said.

The Labor Ministry defines short-time workers as "employees who work less than before or not at all, but are nevertheless not dismissed." They receive about 65 percent of their previous income.

East German unemployment surged 50 percent in June to more than 142,000, but officials have said that short-time work and retraining plans will stop the figures from rising too high before all-German elections on unity scheduled in December.

Bankrupt East German concerns are receiving state-backed liquidity credits and government money to finance short-time work for the next six months.

East German officials, facing up to two or three million jobs — as much as one-third of the work force — say they may need more money from West Germany to finance the benefits.

"The situation is very worrying," said Horst Kintz, state secretary in East Germany's Labor Ministry. West Germany has provided two billion Deutsche marks (\$1.2 billion) this year to finance plans in a country with almost no experience of unemployment in 40 years of Communist rule.

"They will have to give us more money," said Mr. Kintz, who declined to say how much was needed.

Finance Minister Walter Romberg has said East Germany may have a bigger deficit than budgeted this year because unemployment

payments were larger than unexpected.

In other developments in East Germany on Thursday, the government extradited two West German guerrilla suspects sheltered for years by the country's former Communist leaders.

A spokesman for the state prosecutor said Inge Viett and Werner Lotze, suspected members of the extreme left Red Army Faction, had been handed over to the authorities in West Germany, where they are wanted for bombings and political murders in the late 1970s.

East Germany arrested eight Red Army Faction suspects on its territory last month. They had lived in East Germany under assumed names and with the protection of the Stasi security police.

East Germany also said Thursday it planned to retain the former Communist government's liberal abortion law after reunification with West Germany, which has far more restrictive legislation.

East Germany allows abortion on request in the first 12 weeks of pregnancy. West Germany makes abortion a crime unless authorized on health or social grounds.

The disparity in abortion laws is among the differences officials in each nation will be negotiating in the coming weeks, but Family Minister Christa Schmidt told parliament the East German law would remain in force for several years while an acceptable pan-German solution was reached.

She rejected suggestions that West Germans would flock east for abortions. She noted that they could already travel to Scandinavian countries that allowed abortion on demand.

In a debate, almost all parties, including the dominant Christian Democrats, opposed adopting the West German legislation.

East Germany, mainly Protestant and atheist, has long had a more liberal attitude to abortion than West Germany, which has a powerful Roman Catholic Church.



Mr. Ridley withdrew the remarks he made about the Germans.

RIDLEY: 'German Racket'

(Continued from page 1)

pains recently to change Britain's image within the EC, and to put forth constructive proposals on economic, monetary and political union.

Though the new attitude has been noted, officials on the Continent have remained skeptical about Mrs. Thatcher's real motives.

Pointing out that Mr. Ridley represented British economic and industrial interests in the EC, Sir Christopher Prout, leader of the Conservative group in the European Parliament, said "there is a question how credible his position now is."

A German member of the European Parliament warned that such comments could take Europe "back to the bad times of the first half of this century."

The former British ambassador to the EC, Sir Michael Butler, said Mr. Ridley's "extraordinarily eccentric" comments "can't be helpful" to British credibility in the Community. The minister's comments, he said bore "no relation to the facts; the main motivation for moving toward EC union is to have a European Germany and to prevent it from becoming a German Europe."

William Wallace, of the Royal Institute of International Affairs, said the outburst would be very damaging in the short term, not only in Bonn, Paris and Brussels, but also in Washington, because the Americans would believe Britain had "no credibility in Paris and in Bonn."

The pound, which has gained strength recently on expectations that Britain would soon become a full participant in the European Monetary System, fell sharply early in the day as a result of the comments, though it later stabilized.

Pointing out that Mrs. Thatcher had disowned the comments and that many people regard Mr. Ridley "as a bit of a joke," Chris Dillow, an economist at Nomura Research Institute, said the pound should not suffer lasting damage as long as the prime minister does not personally become associated with her minister's views.

Mr. Ridley is widely regarded as the prime minister's closest political and ideological ally within the Conservative Party, and many suspect that their gut instincts regarding the EC are similar. Mr. Ridley also has a reputation for abrasive, off-the-cuff remarks and for being the member of the Thatcher government outsiders most like to hate.

One source on the Continent who has seen Mr. Ridley in action during Community meetings, when asked to comment on the minister's remarks, said, "Frankly, coming from him I'm not surprised."

In the article, Mr. Ridley was quoted as saying that "this rushed takeover by the Germans on the worst possible basis, with the French behaving like poodles to the Germans, is absolutely intolerable."

He also said "never has it been more necessary than now, with Germany so up to the eyes in Britain to play its traditional balance-of-power role in Europe."

Asked whether there was a difference between Chancellor Kohl and Hitler, the minister replied that he might rather have "the shelters and the chance to fight back, than simply being taken over by economics." Mr. Ridley added that "he'll soon be trying to take over everything."

Though he acknowledged that policies run under the influence of men like the Mr. Kohl, the central bank president, might provide Britain with greater financial discipline, Mr. Ridley said "there could also be a bloody revolution."

He added that "being bossed by a German — it would cause absolute mayhem in the country, and rightly, I think."

Analysts and politicians pointed out that this was Mr. Ridley's second anti-European statement in a little over a month — albeit far more virulent and principally aimed against Germany this time.

The minister's statement came only one day after Sir Alan Walters, Mrs. Thatcher's former economic advisor, renewed his campaign against Britain joining the exchange rate mechanism of the European Monetary System. His bitter row with the former chancellor of the Exchequer over EC policy led to the resignation of both men last year.

STRIKE: Chamorro Settles

(Continued from page 1)

Mrs. Chamorro drop her free-market economic changes.

The 10-day strike — during which the army chief, General Humberto Ortega Saavedra, brother of the former president, was forced to define his position in the new government — showed Mrs. Chamorro's vulnerability to Sandinista pressure and appeared to strengthen the standing of hardliners within her administration.

After declaring the walkout illegal, Mrs. Chamorro called Monday

on General Ortega to restore order in the streets of Managua. The general said Wednesday that he had complied with the orders and that the army would never stage a coup d'état against Mrs. Chamorro.

At least 4 people were killed and 50 wounded in clashes between strikers and supporters of Mrs. Chamorro. The walkout also caused as-yet-uncalculated damage to the country's economy, which has been battered by war and economic sanctions imposed by the United States during the 10 years of leftist Sandinista rule.

Both of them came to Houston, told the United States what they planned to do and told us to take it or leave it.

"This is the new architecture of

SUMMIT: Dinosaur Superpowers

(Continued from page 1)

have to clear their policies with Washington, the president said

INTERNATIONAL Herald Tribune

Published With The New York Times and The Washington Post

A Summit of Promise...

The Houston summit meeting resolved no important dispute. The leaders of the seven major industrialized nations did more agreeing to disagree than agreeing. But to judge their annual economic conference a failure is hasty. They differed about how to aid the Soviet Union. Disappointingly, they conceded help for China. But on the primary issue of agriculture policies, the leaders agreed to phase down protectionist subsidies.

Their language on farm subsidies is promising; perhaps they are willing finally to use the prestige of their united state to help face up to domestic political resistance. But the words, however promising, are vague. The world will not know till December if they have bite.

With or without a cold war, economic issues divide the Western alliance. The European Community protects millions of inefficient family farmers by blocking low-cost food imports from big, efficient farms in the United States and low-cost farms in the Third World. The system costs European taxpayers and consumers as much as \$100 billion a year, but the European leaders have little stomach for threatening the jobs of politically potent farmers.

The United States is in a peculiar position. It, too, protects domestic agriculture, blocking imports of sugar, peanuts and dairy products. Yet the overwhelming economic interest of the United States lies in opening European markets to American grain and other products.

And there is even more at stake: the Uruguay Round of multinational trade talks, scheduled to end in December. Food-exporting countries, especially in the Third World,

are demanding that the industrialized countries open up their markets to more food imports. In exchange they will consider new trade rules proposed by the industrialized countries governing services, intellectual property and foreign investment. If the United States and Europe cannot agree to lower protectionist farm policies, the Third World will likely pull out of the trade talks. That would be a grievous blow to world trade and growth. The impasse can be lifted only by national leaders, and the Houston meeting offered an ideal forum.

Did the Houston summiters get that job done? The answer is unclear. Their words seem evasive. Yet for the first time the Europeans specifically agreed to lower export subsidies, internal price supports and tariffs. And each of the European leaders is now armed with an international commitment that can be used against politically entrenched farmers at home.

Still, no European leader faced up to the fact that real reform would cost millions of European farmers their jobs. By December they will have to offer the food-exporting countries tangible evidence that their products will be allowed in. The Houston agreement may fortify the European leaders and enable them to face down their farmers. Or maybe the summit agreements merely allow the leaders to evade brutal politics.

Fortify or evade? The world will not know until the trade negotiators get back to work and hammer out a document for the world's trading partners to consider in December. In the meantime, there is at least the promise of good news.

—THE NEW YORK TIMES

But Also of Failures

The Houston summiters had a chance to use their economic power to shape reform in the Soviet Union and China. They missed it. Regrettably, they failed to unite on how to help the Soviet Union. Shamefully, they winked at Japan's torpedoing of economic sanctions against China that were just beginning to yield results.

On the issue of aid to Moscow, the best the seven leaders could do was commission yet another study of the Soviet economy. That leaves West Germany and France free to proceed with their own aid programs. But it also means that the West has forfeited an opportunity to provide collective help at a time when Mikhail Gorbachev badly needs a political boost.

On China, Tuesday's political declaration was deceptively ambiguous. It allowed six nations to contend that sanctions remained in force, but it also let Japan claim the summit's approval for its plan to resume a \$5.2 billion loan program to Beijing.

When asked about this on Wednesday, President George Bush offered a lame parallel. He said, in effect, that if the seven could agree to disagree on aid to the Soviet Union, they could do so on China. The situations are scarcely the same. Modest amounts of aid from West Germany and France will not compromise the ability of other countries to bargain over conditions for helping the Soviet Union. But generous Japanese help for China will instantly undermine the entire international program of sanctions.

When the meeting began, Bonn and Paris hoped for agreement on a Western aid package of \$15 to \$20 billion to reinforce Mr. Gorbachev's wobbly rule. Such aid, they hoped, would also soften the Soviet government's opposition to permitting a united Germany to join NATO. But Washington,

London and Tokyo held back, for various reasons. Mr. Bush was bothered by continuing Soviet aid to Cuba. With Margaret Thatcher, he called attention to the timidity of Soviet economic reforms to date. Prime Minister Toshiki Kaifu dug in over continuing Soviet rule over the four Kuril Islands taken from Japan after World War II.

It is unfortunate that the leaders could not manage to respond better to Mr. Gorbachev's direct plea for economic support. Perhaps they will do so after the study group reports in December.

More lasting damage is likely to come from deferring to Japan's desire to undermine the sanctions imposed against China after the Beijing massacre. Those sanctions have been surprisingly effective by reinforcing the misgivings of private investors. The loss of public and private money jeopardized China's economic development and threatened the Communist regime's ebbing prestige. Beijing has already responded to the pressure with modest gestures like the recent agreement to allow Fang Lizhi and his wife to leave the country.

But severe repression continues, and Beijing maintains its support of the Khmer Rouge in Cambodia. Shrewdly applied carrots and sticks might well produce further steady gains. But Japan will effectively nullify that potential by resuming its huge loan program. Japanese business interests, which lobbied hard for an aid resumption, are likely to pressure China in force. That will put heavy pressure on Western governments, Washington included, to offer credits and guarantees to their companies. Agreeing to disagree on Soviet aid is a regrettable but retrievable failure. The collapse of a united stand on China shames the summit.

—THE NEW YORK TIMES

Neil Is Fair S&L Game

Neil Bush, the president's son, is wrong when he claims that his record as director of a failed Denver S&L is blameless. By his own account, he voted to approve loans to a business partner — an example of the financial incest that was central to the collapse of many savings and loan institutions. But he is right when he complains that the great attention given his case is owed to his relationship to the president rather than to the magnitude of his offenses of his own.

The younger Mr. Bush has the misfortune to have become a target in the rising warfare between Democrats and Republicans over who is to blame for the inordinately costly S&L scandals. (Correct answer: Both are to blame, and deeply.) It is fair to say that, except for his family connection, Neil Bush would hardly be a major figure in this writhing sort of out of the S&L industry's wreckage.

The people who committed the most serious offenses have been or, let's hope, will be convicted of crimes. In the past 20 months the Justice Department has charged 306 defendants in S&L cases and has secured convictions of more than 200. Neil Bush has not been charged with any crime, and there has been no suggestion so far that he will be. One regulatory agency, the Office of Thrift Supervision, has filed a civil complaint against him and ordered him to appear at a public hearing in September to explain those loans to his partner. Another agency, the Federal Deposit Insurance Corporation, is considering a suit against him and others to recover some of the enormous losses of the failed S&L. There are probably several thousand people who are, to one degree or another, in the same category as Neil Bush — not at the highest level of culpability, but subject to criminal violations, but subject

to regulatory sanctions and perhaps lawsuits. Presidents' relatives have always been fair game in partisan politics. In each case the key question is whether they were exploiting their connection for their own profit. In the Bush case, there is some evidence that the regulators delayed closing the S&L, Silverado, until after the 1988 election, to keep it out of the campaign. But otherwise there is nothing visible to indicate that Mr. Bush's line to the White House did him much good. The fundamental reason for the S&L disaster was not the misdoings of individual S&L directors in Denver, but the willingness among high officials in Washington to let those practices continue and, at all costs, to keep the game going.

—THE WASHINGTON POST

Other Comment

Preparing a Post-NATO Role

There are no plans yet afoot for a U.S. disengagement from Europe. Neither the Europeans nor the Soviets want a complete U.S. withdrawal in the foreseeable future. But the U.S. Congress may eventually see things differently unless the United States is encouraged in a perception that it remains a European power. That is very much President Bush's perception. It may be argued that he has strengthened U.S. influence in Europe in the long term by fostering the sort of special relationship with the West German chancellor that his predecessor enjoyed with Mrs. Thatcher. But it will take more than that to compensate Washington for the loss of the organization through which it has exercised postwar leadership in Europe.

—The Sydney Morning Herald

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OPINION The Cold War Has Been Won at High Cost

By Christopher Lasch

ROCHESTER, New York — In 1947 George Kennan held out the hope that a policy of "containment" of the spread of communism, if it were vigorously pursued over several decades, would lead to the "breakup or the gradual mellowing of Soviet power." Today the mellowing or breakup of Soviet power is taking place before our eyes.

It is taking place, moreover, as a direct result of American pressure, which has forced the Soviet Union into an arms race that ruined its economy, falsified its claim to be a workers' state and alienated those who once looked to it for moral and ideological leadership.

The Soviet Union has suffered a defeat the magnitude of which can hardly be exaggerated. By the same token the West has won a diplomatic, military and ideological victory that appears to have vindicated advocates of containment and retrospectively discredited its critics.

It is important to remember, however, that critics of containment — and they included Mr. Kennan himself, after the mid-1950s — were concerned not only with its probable effects on Russian society but above all with its effects on America's own. They

may have underestimated the West's capacity to wear down the Soviet Union, but they were surely right in thinking that a protracted, single-minded, global struggle against communism might cripple democratic institutions at home.

They warned, in effect, that even if the West prevailed, it would pay dearly for its success, and that the United States would pay most heavily of all.

At the beginning of the Cold War, Walter Lippmann predicted that containment would force the United States to piece together a global network of client states, and that the clients would end up calling the tune. The need to sustain its credibility as a protector of anti-Communist regimes would lead the United States into police actions, even full-scale wars, that were inconsistent with its own national interests. The war in Vietnam, a national disaster from which the United States has never really recovered, bears out the accuracy of that insight.

Thanks to its willingness to support corrupt and repressive regimes in a global crusade against com-

munist — to ally itself with the most reactionary forces in the Third World — the North American colossus is now widely regarded as a colonial power whose verbal championship of freedom, democracy and social reform cannot be taken any more seriously than that of the Soviet Union.

Critics of American foreign policy also pointed out that containment would cause serious distortions in the American economy. Military spending would deflect investment from plant expansion and modernization, making the United States weak in exports and more and more vulnerable to imports.

Experience has confirmed this insight as well. Nations unbundled by large military expenditures, notably West Germany and Japan, have shot ahead of America in their productive capacity, taken over markets formerly dominated by American exports and invaded the domestic American market — the final indignity.

The diplomatic and economic costs of containment merely scratch the surface. The Cold War inflicted much deeper wounds on American society. Preoccupation with external affairs led to the neglect of domestic reforms, even of basic services.

The development of secret police organizations, the erosion of civil liberties, the stifling of political debate in the interest of bipartisan consensus, the concentration of decision making in the executive branch, the secrecy surrounding executive actions, the lying that has come to be accepted as routine in American politics — all these things derive either directly or indirectly from the Cold War.

Their worst effect has been to undermine confidence in government, to weaken public culture and to destroy the delicate fabric of trust on which civic life depends. If the West won the Cold War, the United States can hardly be said to have shared in the fruits of that victory. It would be closer to the truth to say that the Soviet Union and the United States have destroyed each other as major powers, just as many critics of the Cold War predicted.

The Cold War now belongs to the age of political dinosaurs, when the earth was dominated by two overgrown empires each claiming to stand for rival principles of economics and politics, as easily distinguished from each other as black from white. The choice between them — even the abstract choice between socialism and capitalism — no longer interests the rest of the world.

The writer is author of the forthcoming "The True and Only Heaven: Progress and Its Critics." He contributed this comment to The New York Times.



For Decades, Washington Overrated the Soviets

By Daniel Patrick Moynihan

The writer, a Democratic senator from New York, was vice chairman of the Select Committee on Intelligence from 1977 to 1984.

WASHINGTON — On July 1, East Germans lined up at some 15,000 special distribution centers around the country to exchange their old currency for brand new West German Deutsche marks. There was much celebrating and much to celebrate. Not least, if we are to believe the "Statistical Abstract of the United States," because East Germans had just suffered a sharp reversal in their fortunes. The 1989 "Abstract" showed East German incomes at parity with West Germany. However, in the 1990 "Abstract" they dropped to less than two-thirds.

Nothing actually happened. American statistics were simply catching up with reality. Enter the house of mirrors: the Central Intelligence Agency trying to figure out the economic strength of what until just now were the rival blocs, East and West.

But first, a note to the reader. If what follows is critical, please believe that in no sense is it meant to be accusatory. I will argue that for 40 years we have largely overestimated both the size of the Soviet economy and its rate of growth. This in turn

has persistently distorted estimates of the Soviet threat — notably, in the 1980s when America turned itself into a debtor nation to pay for the arms to counter the threat of a nation whose home front, unbeknownst to us, was collapsing. But I will not for one moment contend that this was intentional or even avoidable. On the latter point, I, for one, just don't know.

Here are the main numbers. At the outset of the '50s, the CIA estimates (depicted at first, but later published) depicted the Soviets with a sizeable economic base and a formidable rate of economic growth. This growth rate was consistently depicted as higher than that of the United States. Over three decades there is only one five-year interval in which America outstrips the U.S.S.R. For the entire period, the Soviet growth is shown at 4.8 percent, almost half again the American 3.4 percent. Investment rates were seen to soar, doubling in three decades to 32.5 percent,

twice the rate of the United States and equal to Japan's. In the mid-'70s, the size of the Soviet economy in relation to the United States was thought to have passed into the 60 percent range.

Soon the whole of the Eastern bloc was booming, even as the economies of the European Community weakened. At mid-decade incomes were shown as almost equal. At \$10,440 per capita, East German income was ahead of the West German \$10,220. At this point estimates for the EC began to turn upward, and the CIA did detect trouble in the U.S.S.R. But at this point, also, America was broke — a debtor nation.

Based largely on the CIA estimates of the mid-'70s, President Jimmy Carter began a huge defense buildup, which continued under President Ronald Reagan until 1985, when the defense budget turned down because we were out of money. It has, in real terms, declined every year since. But we are still out of money.



Quebec Is Serious, So Pay Attention

By Tom Wicker

LA BAIE, Quebec — Down where I come from in the Old Confederacy, the idea of secession is no longer so appealing. Despite some headlines, it is not as popular in Quebec as it once was, either. But outsiders should not doubt that Quebec is about to achieve new political status — more power, more authority, more independence from the writ of the federal government.

"Something went 'click' in the minds of Quebecers the night Meech Lake died," Wayne Grigsby wrote in the Montreal Gazette — "the click that sounds in the minds of people who decide it's no longer worth the struggle to save a rocky marriage."

The point was emphasized by an estimated 200,000 Quebecers parading and cheering beneath the province's fleur-de-lis flag in Montreal on St. Jean-Baptiste Day, after the death of the Meech Lake Accord.

Long pushed by Brian Mulroney, the prime minister in Ottawa, the accord would have legitimized Quebec's "distinct society" with its French language and 6.5 million people (out of Canada's 26.5 million). Last month Manitoba and Newfoundland failed to ratify Meech Lake, killing the accord and leaving Quebec outside the Canadian "family" but in an uneasy mood.

Something certainly had gone "click," for example, in the minds of the large and vigorous Minister family, of which some two dozen members held a Sunday reunion on their fishing camp on Lac Beauport near here. Their all but unanimous view, conveyed to American visitors in ac-

cented but serviceable English, was that "Canada has rejected Quebec," not the other way around.

The Ministers and other Quebecers — this was admittedly an unscientific sampling — seemed almost relieved. Quebec and Ottawa have been circling one another warily, in search of a new relationship, for many years. Even "Anglophones" — Quebecers whose first language is English — seem to feel that the failure of Meech Lake now forces the issue to conclusion.

Not many advocate outright independence, although Quebec might well have sufficient economic strength and cultural identity to make it work. Most seem to expect greater autonomy with strong links to the Ottawa government.

A common currency is generally accepted, for example. But Marcel Maréchal of the weekly *Réveil* in Quebec points out that the governors of the Bank of Canada in Toronto set interest rates and the value of the Canadian dollar for national purposes that do not always coincide with Quebec's, or with those of the Saguenay-Lac St. Jean region where his newspaper is published.

"More power" for Quebec in monetary policy is essential, he says, Gaëtan St. Hilaire, an insurance broker in Jonquière, suggested that when the new arrangement was worked out it would authorize Quebec to ratify or veto any arrangement Ottawa may make that would

affect the province. Nor will any other province then be able to say yes or no to Quebec, as Newfoundland and Manitoba did in failing to ratify Meech Lake.

Mr. St. Hilaire said Quebecers were more determined to gain greater autonomy now than in 1980, when the Saguenay-Lac St. Jean area voted heavily for "sovereignty." He says there was considerable mistrust then of a Parti Québécois provincial government that favored secession.

Now the Liberal government of Premier Robert Bourassa — which supported Meech Lake — inspires greater confidence with its promises to maintain economic stability.

Mr. Bourassa plans a nonpartisan commission to develop proposals for a new provincial status, a referendum may follow. One provision almost certain to be included is greater control for Quebec over immigration, with an eye to maintaining its "distinct" French identity — although Mr. Bourassa told Time magazine that Anglophones had a "fundamental" and "irreplaceable" role in the province's future.

One reason Quebec is likely to achieve new autonomy is that the other provinces seem not so much opposed to it as eager for the same autonomy; that may be the real reason Meech Lake failed. If so, what kind of Canada will the United States eventually confront on its northern border? A loose confederation? A common market?

For the best available answer, keep your eyes on Quebec.

The New York Times

A Format For Leading The World?

By Hobart Rowen

HOUSTON — The 16th annual summit meeting of the seven leading industrial democracies has been unlike any of the others. I feel safe in saying that after having covered 15 of the 16, back to the start in Rambouillet, France, in 1975.

Since then there has been a gradual evolution of the summit process away from a singular focus on economic issues toward political themes. This is easy to understand: It is hard to get seven politicians in a room and expect that they will stray far from issues bearing on their prospects for re-election or their control of the political system at home.

But this economic summit, the first to recognize the end of the Cold War, transformed itself into a major geopolitical forum. At earlier meetings, political matters were reserved for dinners and informal conversations. In Houston, political issues made their way into the plenary sessions.

Except for a successful effort to prevent the collapse of talks between the United States and Europe on farm subsidies, this was not an economic meeting. It did not deal in depth, at the presidential and prime ministerial level, with topics such as exchange rate stability and inflation.

The question on the oval table at Rice University was how to deal with the Soviet Union in the post-Cold War era. What steps could be taken to nudge that country more securely into the mode of an economy focused on free market principles?

West Germany, supported by France, wants to extend immediate and considerable cash aid to Mikhail Gorbachev. From the West German perspective, almost no price is too high to pay for his consent to full and complete German unification, with the greater Germany to be tucked comfortably into NATO.

The Germans have already put up \$3 billion in credits to help Soviet borrowers pay bills to German companies, and they visualize a total package of about \$15 billion. A German spokesman put it succinctly: "We spent tremendous sums to protect the Western world from Soviet expansionism. Now we need only a very small part of that sum to develop positive movement within the Soviet Union and its neighbors. We consider it a first-class investment."

If the notoriously super-cautious Germans favor pouring money into the Soviet Union, it must make sense, right? Absolutely not, said George Bush and his summit advisers. The United States was strongly supported by Japan, which will shower money on China but won't advance a nickel to the Soviets until they return the Kuril Islands.

The compromise was important and innovative: The Germans are free to make loans to Mr. Gorbachev, and the seven countries as a group will launch a study of the Soviet Union's economic and financial conditions. This allows Mr. Gorbachev an immediate infusion of cash and provides him with the dialogue with the West that he has been ardently seeking, and which may lead to further aid.

Last year, before the Paris economic summit, Mr. Gorbachev virtually applied for membership in the Group of Seven. This year he was more circumspect, asking in a letter to Mr. Bush for "external financial and economic help," especially "long-term credits, which should be provided by foreign capital." By responding in a measured but substantive way, the West has taken the first step toward integrating the Soviet Union, as well as the former satellite members of the Warsaw Pact, into the global economy.

Last year's communiqué brushed Mr. Gorbachev off: "We take note of the representations that we received from various heads of state or government and organizations and we will study them with interest." The communiqué issued in Houston reflects changing times: "The host government will convey to the Soviet Union the results of the Houston summit."

So the economic summit evolves into a broad dialogue on political, strategic and environmental as well as economic issues. It is possible that it may in time also become a global high command, involving not only the Western powers but also the Soviet Union, China and former satellite countries.

At Rambouillet in 1975, in the middle of the Cold War, the idea of a global high command would have been unthinkable. But after the NATO summit last weekend extending a cooperative hand instead of a hostile hand to the Soviet Union, and after this economic summit, it is at least conceivable.

The Washington Post

100, 75 AND 50 YEARS AGO

1890: Stanley Is Wed

LONDON — Mr. Henry Morton Stanley and Miss Dorothy Tennant were married in Westminster Abbey today [July 12]. Not often has Westminster Abbey been more densely thronged. Many glances lingered over a magnificent floral tribute — sent by Mr. Stanley — marking the grave of David Livingstone. Mr. Stanley looked very worn and weak, and walked with a cane. The bride looked stately in a white silk dress, such as was worn in the days of the Tudors. Her train was born by two pages of honor, who wore white cavalier costumes. Unlike the cavaliers of the time of the Stuarts, however, they were boots of African hide.

1915: America's Disgust

LONDON — America is profoundly disgusted with the latest German reply in regard to submarine warfare. According to the "Daily Express," Germany's insolent and typically Prussian

answer to America's protest against the Lusitania murders probably will not lead to a crisis between the two countries. The opinion is prevalent in Washington that Germany must commit some overt act before America resorts to extreme measures. It will require further slaughter of Americans at sea before the United States clears for action. Some see a German surrender beneath the surface, given Germany's statement that it did not expect the Lusitania to sink so quickly.

1940: Pétain's Cabinet

VICHY, France (by telephone to Berné) — Marshal Philippe Pétain, using the kindly "we," named tonight [July 12] a Cabinet to help him rule authoritarian France, and chose Pierre Laval, a Rightist and longtime apostle of friendship with the dictators, as his right-hand man and ultimate successor. Laval, as Vice-Premier, heads the list. The new Cabinet meets tomorrow. From the New York edition of the New York Herald Tribune.

OPINION

Out of the Gulag, He Wants No Help for His Ex-Jailers

By A. M. Rosenthal

NEW YORK — Two years ago almost to the day, this man sat in a Soviet political camp, in punishment for his role in the 1956 Hungarian Revolution. He would not eat the bread that was his breakfast ration.

He would eat nothing. If protest by starvation was the only weapon left to him, that was the weapon he would use.

Most of his 16 years in the gulag were spent in solitary. This man never stopped fighting the evil empire, in prison, out of prison, back in prison.

Now what pleasure to write this sentence: Here is Mart Niklas asking what

ON MY MIND

is in this little jar on the table, opening it and spreading strawberry jam on a croissant, right here in New York City, at breakfast at the Regency.

Once I was allowed to visit political prisoners in the cold camp where Mr. Niklas was held the last years, Prison 35 near the city of Perm in the Ural Mountains. He had been freed five months before and we never met.

But his story is known well to those foreigners whose lives or minds have been touched by one of the great sagas of this century: the unmitigated struggle against Communist despotism by the rebels of the Soviet Union and its colonies.

And it is known to all the citizens of the Baltic nations, who years for the independence taken from them by the Germans and Russians before, during and after World War II.

At breakfast, Mr. Niklas wears a blazer with an embroidered E—for Estonia. He was first sentenced for sending abroad pictures of living conditions in Estonia, eight years in prison.

Released, he continued fighting and was sentenced for telling the truth about the German-Soviet pact that led to the death of the Baltic nations.

The second sentence was 10 years plus five years in exile, probably Siberia. He

Baltic Priorities

GEORGE Bush clearly calculates that the consolidation of democratic reform in the Soviet Union and the former satellite nations—or, at a minimum, its pace—depends on the survival of Mikhail Gorbachev; and that the survival of Mr. Gorbachev depends on having a reasonably free hand, short of brutality, to handle problems he defines as internal.

Mr. Bush must know, finally, that every socialist-minded Soviet public has a vocal voice in the United States writing to echo Lithuania's demand that its own nationalist passions be enthroned above all else. Give these lobbyists what they want, and there will be no U.S. foreign policy worthy of the name.

—Edwin M. Yoder Jr.

The New York Times



LETTERS TO THE EDITOR

Southern African Struggles

As one who has lived in southern Africa, I find it hard to understand the Bush administration's policies in that region.

During Nelson Mandela's visit to the United States, President George Bush told him that the African National Congress should abandon armed resistance against the South African government.

Yet just a week earlier it was revealed that Mr. Bush was asking Congress to give an extra \$10 to \$15 million to the rebels in Angola. Their armed assault against the government included the maiming and killing of thousands of innocent civilians with anti-personnel mines.

Has it not occurred to the U.S. administration that the impression thus given is that America encourages organized violence against black governments but not against white ones, in the same part of the same continent?

LEN CLARKE

Uxbridge, England

A Veteran Going Strong

The report "Spanish Press Is Booming, but Few Are Reading About It" (July 3) says that "today three newspapers that survived the Franco era—La Vanguardia, Ya and ABC—are back on their feet."

As editor in chief of ABC and chairman of its company, I would like to let your readers know that our company has not just survived the Franco era. ABC was founded in 1891 and is about to celebrate its century. It survived the reign of Alfonso XIII, the Second Republic, the Spanish Civil War and Franco's regime, and in the last 15

Overkill in Panama

In response to "Panama: Overkill Plus a Weak Case" (Opinion, June 19) by Tom Wicker:

It took 24,000 American soldiers to catch one bad guy and bring him to justice—and he may even get off, to the great embarrassment of the United States. Just think of the loss of civilian lives, of houses destroyed. I think the Americans were overreacting. Hollywood could have done it better with the Dirty Dozen. Or someone could have asked the Israelis to do it.

R.A. SHANE

Cham, Switzerland

The United States invaded Panama to regain some control of the canal, divested during the days of Jimmy Car-

In Defense of Lobbying

Regarding "Is This Representative?" (Letters, July 5):

The writer objects to paid lobbyists. Lobbying is an integral part of the U.S. legislative process, and it would be unwise to pretend that it does not exist. Lobbying, like all other institutions in democracy, has its positives and negatives. It would be tragic for anyone to ignore the importance of lobbying by suggesting it's all big money and big corporations. There are many citizen-type lobbying groups that play important roles in influencing and shaping the nature of legislation.

MERVYN M. DYMALLY,

Democratic Representative from California, Washington.

Paying for the Reagan Era

In response to "Bush on Tax Stand: Not Playing Politics" (June 30):

The pity is that if taxes had been raised back in 1980, some of the money could have been spent for education, health care, research and road construction. As it is, such worthwhile projects will have to be postponed until the billions of dollars spent for unused weapons or embedded by soundbites are paid off. That is the legacy of the Reagan years.

A. CORNELI

Mansfield

GENERAL NEWS

Sweden Will Extradite Soviet Hijacker

Compiled by Our Staff From Dispatches

STOCKHOLM — Sweden said Thursday that it would honor a Soviet request for extradition of a 17-year-old who hijacked a flight to Stockholm in June.

The authorities said that they hoped the action would help end a spate of hijackings of Soviet airliners.

"This is a signal to presumptive hijackers," said Lena Hjelm-Wallen, international development minister and acting prime minister, after the government approved the extradition. "We look very gravely on hijackings."

The hijacker, Dmitri Semynov, forced a Soviet domestic flight with 121 people on board to divert to Sweden on June 9 by threatening the plane's crew with a fake hand grenade.

Swedish airline pilots and the police had urged quick approval of

the Soviet request for extradition of Mr. Semynov, saying a delay would encourage more hijackings.

Since the hijacking by Mr. Semynov, five other Soviet domestic flights have been hijacked to Sweden, Finland, and Turkey, and a number of reported attempts have failed.

A Soviet airliner was hijacked and headed toward Helsinki on Thursday, but turned back before it entered Finnish airspace, aviation officials said in Helsinki.

Leningrad air traffic controllers told Finnish controllers that an Aeroflot jet had been seized on a flight from Leningrad to Murmansk. But 17 minutes later, the Soviet controllers said the plane had turned back to Leningrad.

The Swedish Supreme Court on Wednesday rejected Mr. Semynov's plea that he be allowed to stay

in Sweden because of his youth and weak physical condition.

"I am bitter and disappointed in the Swedish government," Mr. Semynov said in a radio interview. "They caved in under international pressure. It seems like the Swedish government is afraid of the Soviet Union."

Mr. Semynov threatened on Wednesday to commit suicide if forced to return. Jail officials said he had spent a quiet night under additional security after the threat.

He faces a maximum Soviet prison sentence of about 10 years for hijacking, said a Swedish Foreign Ministry spokesman, Lars Magnusson.

The hijacker is believed to be the first person ordered extradited from Sweden to the Soviet Union since the end of World War II, when some Baltic refugees were

sent back. The Soviets sought their return on grounds that they were Nazi sympathizers.

Mr. Semynov said he had taken over the airliner after a family dispute.

Sweden is holding two other accused Soviet hijackers who said they want to avoid Soviet military service. The Soviet Union has requested their extradition.

Mr. Magnusson said the decision to extradite Mr. Semynov did not necessarily mean the government would rule the same way in the remaining cases.

It was unclear when Mr. Semynov would actually leave Sweden. The Finnish government is expected to decide next week on the extradition of one of two young Soviet men who each hijacked a plane to Finland.

(Reuters, AP)

Iraq Hangs A Swede as Israeli Spy

Reuters

STOCKHOLM — Iraq has hanged a Swedish national convicted of spying for Israel, the Swedish foreign minister, Sten Andersson, said Thursday.

Sweden tried to win a reprieve for Jaël Mechi Neamy, a naturalized Swede born in Iraq, and recalled its ambassador from Baghdad after learning Mr. Neamy had been hanged on Wednesday, Mr. Andersson said. The execution "must be forcibly condemned," he said.

The Foreign Ministry said Mr. Neamy was arrested Aug. 9 while on a visit to Iraq. A court in Baghdad sentenced him to death on April 30.

The Swedish ambassador in Iraq, Henrik Amneus, made an intensive diplomatic effort to avoid a death sentence and, later, to keep the sentence from being carried out, and Prime Minister Ingvar Carlsson appealed to Iraqi President Saddam Hussein of Iraq to intervene, the Foreign Ministry said.

On March 15, Iraq hanged a London-based journalist, Farzad Bazoft, after he was found guilty of spying for Britain and Israel. Baghdad ignored appeals for clemency and dismissed a wave of international criticism.

Mr. Neamy, who became a naturalized Swedish citizen in 1985, was married to a Swedish woman.

Mr. Andersson said Iraq's refusal to listen to Swedish pleas for clemency had seriously harmed relations between the two governments.

The Swedish news agency TT said the Iraqi court found Mr. Neamy guilty of spying on Palestinian refugees in Iraq on behalf of the Israeli intelligence service Mossad.

Mr. Andersson said Sweden had provided Mr. Neamy with a lawyer and that the Swedish mission in Baghdad had observed the two-day court proceedings.

The minister said Mr. Neamy had admitted in the pretrial interrogation and during the trial that he had collaborated with the Mossad.

Blast at French Cars in Spain

Reuters

BILBAO, Spain — A bomb exploded at a French car dealership in this northern Basque city on Thursday, causing damage but no injuries, the police said. A second bomb at a French dealership in a nearby town was deactivated.

ASIAN TOPICS

Activists Urge Japan To Help Save Forests

Ecologists want Japan, the world's biggest importer of tropical wood, to help save the vanishing rain forests. But they say that so far the response from industry and government has been halfhearted at best.

"Five years ago the government said logging was not a problem," said Yotchi Kuroda, coordinator of the Japan Tropical Forest Action Network. "Now they admit there is a problem. That is the only change."

Part of the problem is the fact that public awareness of the plight of rain forests is only just beginning to develop. Reuters reports, Mr. Kuroda and a handful of activists staged a two-day protest vigil last month outside the offices of the huge Marubeni trading house, which is responsible for the highest volume of tropical timber imports into Japan. Office workers cast at most a quick glance at the banner-waving crowd.

Activists say much of Japan's wood consumption is wasteful. Construction companies use high-quality tropical timber for scaffolding, throwing it out after only brief use, rather than substitute materials such as steel.

North Korea Warns Of Democratic Perils

The Rodong Shinmun, official newspaper of North Korea's ruling Korean Workers Party, warns against the democracy sweeping Eastern Europe.

"The imperialists are trying to turn the socialist countries back to capitalism by ideologically infiltrating them under the veil of 'liberalization' and denouncing the revolutionary consciousness of the people, economically buying them over with 'aid,'" the paper said.

Rodong Shinmun asked, "Can the capitalists give the popular masses houses free of charge or grant them the benefit of free education and free medical treatment? And can they do away with unemployment and poverty which haunt and threaten the life of the working masses, and abolish the tax or provide them with stable jobs?"

Around Asia

The Papua New Guinea government plans to open peace talks July 26 with the Bougainville Revolutionary Army, which has been waging a secessionist war. A spokesman said the talks,



HAVING A BLAST — A clerk demonstrating how to use a can of oxygen, for sale at a Tokyo department store. It is intended for use after sports, driving or stressful situations.

postponed twice over disagreements on who should attend, would be held on the New Zealand Navy's supply ship Endeavour near the Bougainville Island port of Kieta. Government radio said the two negotiating teams would be housed separately on the New Zealand frigates Waikato and Wellington.

A Taiwan legislative committee has recommended ending the controversial practice of rewarding defecting Chinese military pilots with gold, which has turned 14 pilots into instant millionaires over the years. Mainland China dropped a similar standing offer two years ago in an effort to improve relations between the two governments.

After 45 years as a guerrilla in the Malaysian jungle, Shigeaki Hashimoto returned to Japan in January when the guerrillas ended their insurgency. Now 71, he lives with his younger brother, Noriyuki, in a small apartment in Chiba, near Tokyo. He said he spends his days visiting relatives of fallen comrades, walking, reading and watching television.

The guerrillas had shortwave radio so he was fully aware of Japan's postwar development. Even so, he said that on his return, "I never saw so many people and cars in my life. It got me tired just looking at them."

Arthur Higbee

Party Panel Backs Rabin's Challenge to Peres

By Joel Brinkley

New York Times Service

JERUSALEM — The Labor Party's 150-member Leadership Bureau dealt a stinging blow to Shimon Peres on Thursday in its campaign to keep his position as party leader.

By 60 percent to 40 percent, the party's leaders sided with a challenger, Yitzhak Rabin, on every question about how the leadership debate would be resolved.

The final decisions will be made by the party's 1,400-member Central Committee, which meets on July 22. It does not always accept the Leadership Bureau's recommendations.

The vote Thursday was the first

clear indication that many people in the Labor Party are serious about the effort to unseat Mr. Peres, who has not been an unequivocal winner in any national election since he took over party leadership in 1977.

The bureau was asked whether the leadership challenge should be settled immediately, as Mr. Rabin had wanted, or in a year, as Mr. Peres had preferred.

"In my opinion, if we delay this caprice to determine in a week the fate of the party from 1992 to 1996, then the party will calm down and do what it's supposed to do," Mr. Peres said before the vote.

But Mr. Rabin countered: "Any delay means continuing to deal

with our own affairs instead of our struggle with the Likud."

The bureau agreed and said the decisions should be made right away.

The bureau's members were also asked whether the party should choose not only its leader but its candidate for prime minister, as Mr. Rabin had asked, or just its party leader, as Mr. Peres had proposed. The party's leaders sided with Mr. Rabin on this question, too, as well as another procedural question.

Now the Central Committee will be given the same questions, with the bureau's recommendations.

After the votes, Mordechai Gur, Mr. Rabin's "campaign" manager,

said: "In light of today's decisions, I hope that the Central Committee will understand that change is not just theoretical, it is possible, and thus we can get on with being a serious opposition that will bring down the government and establish a government of our own."

The votes took place a day after the release of a major national survey, conducted by the respected Hanesch Smith Research Center, showing Mr. Rabin to be by far the nation's most popular politician.

If Israelis were asked in an election to choose between Mr. Rabin and Prime Minister Yitzhak Shamir, the survey showed, they would choose Mr. Rabin by 50 percent to 33 percent.

TRAVEL

International Herald Tribune

Brussels' Living Treasury of

Art Nouveau Architecture

by Dale Harris

BRUSSELS is understandably proud of its splendid Gothic and Baroque showplaces: St. Michael's Cathedral, the guild houses in the Grand Place, the Hôtel de Ville. Only recently, however, has the city come to realize that its days of architectural glory extended well beyond the 17th century. Not until the 1960s was there widespread acknowledgment that during the fin de siècle, young architects like Victor Horta, Paul Hankar and Henry van de Velde were among the most innovative and influential in Europe. Hardly more than a decade after the completion in 1883 of Brussels' vast Beaux-Arts Palace of Justice, Horta, Hankar and van de Velde had turned their backs on such historicist adventures in favor of an architecture that looked to the present.

The decisive step was taken by Horta in 1892 in his first major work, the town house commissioned by a prosperous academic called Emile Tassel. Two years before Samuel Bing opened his Paris shop, L'Art Nouveau, Horta embellished the building with decorations—furniture, door handles, light fixtures, wrought-iron grills, the door bell—which defied conventional taste, not only by their avoidance of historical references, but also their pronounced asymmetry and undulating lines. In the staircase of this astonishing house, a cast-iron column on the first landing sprouts fronds that reach impulsively up to the ceiling; its sinuous lines are echoed in the patterns that surge across the walls and mosaic floor.

With Tassel House, since restored, Victor Horta inaugurated a new architectural movement, known generally as Art Nouveau. Not every European city found it congenial, but in Brussels it caught on immediately. Visitors to the Belgian capital who like to wander the streets with an attentive eye will find scores of superb Art Nouveau facades to pore over—especially in the area between Chancé de Louvain and Rue de la Loi in the center of Brussels, on the Avenue Louis Bertrand and neighboring streets between the Gare du Nord and the Parc Josephat, and in the suburbs of St. Gilles, Ixelles and Forest.

The details of these facades—windows, balconies, front door bells, letter boxes—tend to be imaginative to a point of whimsicality. Some facades are extravagantly ornate, especially in their use of wrought iron. Many are sober. Others are grand.

All are individual. The streetscapes in the districts of Brussels where Art Nouveau flourished are diverse and animated. But it's the decorative details of the facades that really repay close attention.

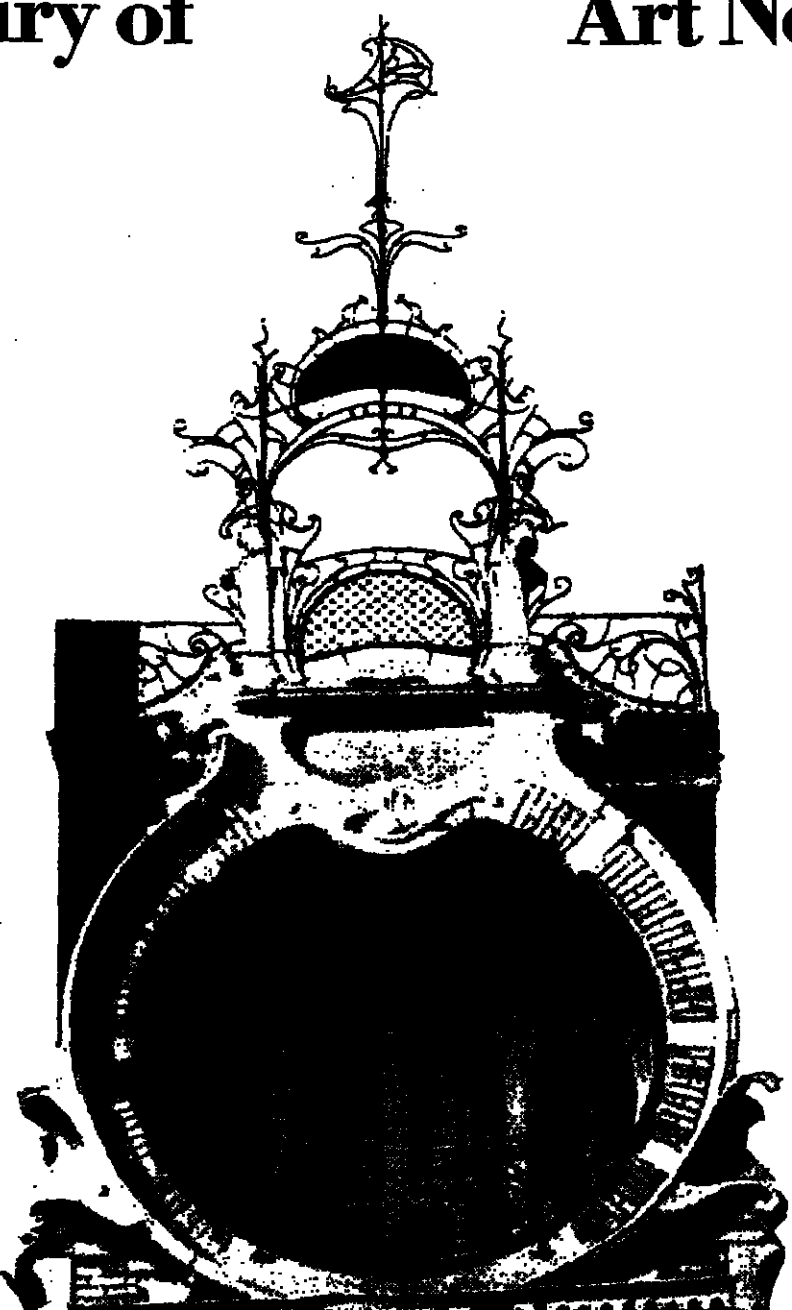
FOR many years, this great architectural heritage was ignored. What it took to wake up the people of Brussels to their Art Nouveau heritage was the destruction of a masterpiece. In 1964, Horta's Maison du Peuple was razed and replaced by a faceless new building. Built in 1899 as the headquarters of the Belgian Workers' Party, the Maison contained offices, meeting rooms, a 2,000-seat auditorium, a cafe and shops. At once beautiful and practical, it was also defiantly contemporary. In the facade, the use of iron and glass, then mainly associated with industrial buildings, celebrated modern technology. Inside, metal grilles, stanchions, brackets and balustrades displayed the prime characteristics of Art Nouveau design: ingenious plantlike forms, arcs, parabolas, whiplash curves.

The loss of the Maison du Peuple shocked large numbers of Brusselsers into an awareness of the connection between the city's architecture and the quality of their daily life. A further impetus to action was the fire that swept away A L'Innovation, an important metal-and-glass-fronted department store built by Horta in 1901.

During the 1960s, the fear that 19th-century Brussels might vanish altogether was increased by the clearance of an entire district to make room for the headquarters of the European Economic Community. Watchdog groups were formed, and the government agency assigned to protect the country's monuments enlarged its area of concern to include architecture of the fin de siècle. In 1961, Horta's house on Rue Américaine, built between 1898 and 1901, was bought by the municipality. Eight years later, it became a museum.

Nothing epitomizes Art Nouveau more clearly than this remarkable structure, which from the street looks like two separate buildings, but was conceived as an ensemble, the left-hand side containing the architect's residence, and the right his office. The two quite distinctive facades, full of subtle, asymmetrical rhythms and some of Horta's most sophisticated ironwork, give little idea of the sheer joyousness of the interior—though there is a hint in the balcony at the top of the house, which is in the shape of a butterfly's wings.

As soon as one steps inside, one is led irresistibly



aloft by the light streaming down the stairwell from a leaded glass dome at the top of the house. Horta used color to enhance the upward pull, the walls of the stairwell gradually changing from amber to gold. Like all the decorative details in the house, the banister and ironwork suggest flames, flowing water, bursting buds, leaves.

For all the significance of the Horta Museum, preservationists show no desire to turn the rest of Brussels into a monument. Clearly, their goal is to secure—and, where necessary, restore—the integrity of the city's distinguished buildings while keeping them in active use. Horta's pupil and tireless advocate, Jean Delhay, spent nine years from the mid-1970s to the mid-1980s returning Tassel House at 6 Rue Paul-Emile Janson to its original condition.

In 1988, under Delhay's supervision, the winter garden on the mezzanine floor of Horta's Van Eetvelde House at 2-6 Avenue Palmerston, dismantled when the building was converted into the headquarters of a business firm in 1950, was lovingly reconstructed. Delhay reinstalled the elegant glass dome that originally enclosed the area, using the same stained glass panel he had packed away in 1950.

Though to succeeding generations, Art Nouveau looked effete—the style had virtually expired by the outbreak of World War I—it was in fact the expression of radical political views. Nearly all of Horta's early private commissions came from committed socialists. He landed the job for the Maison du Peuple, for example, through friends who were members of the Belgian Workers' Party.

One of Brussels' leading socialists, Louis Bertrand, used his position as burgomaster of the districts of Schaerbeek to make Art Nouveau the official style of his community. Especially in the less affluent districts of Brussels, there are unmistakable signs of the connection between progressive architecture and progressive politics in the many surviving Art Nouveau public schools, urban swimming pools and low-cost houses. To stroll through the working-class district of Les Marolles, one of Brussels' most colorful areas, is to be continually reminded of the favor in which Art Nouveau was originally held. Though run down, the houses on a street like Rue Haute still show signs of their original elegance—a stained-glass window, an ornately carved door.

But Art Nouveau was as much the expression of individualism as of group attitudes. Let upper-

class conservatives build in Gothic Revival, in Flemish Renaissance or in Louis XVI, freethinkers and socialists of means would commission houses in the only truly contemporary style, houses that expressed not so much their political orientation as their general independence of mind.

The most innovative feature of the Art Nouveau house was the facade, the design of which announced the owner's modernism to the world. For a decade, the facade came to be the distinguishing feature of domestic building in Brussels. Certainly, no style in modern times has allowed so many opportunities for the vagaries of individual taste. Horta, who said that a house should reflect its occupant's character as well as his practical needs, virtually never repeated himself.

WHIMSY and caprice are never absent from even the most austere Art Nouveau buildings. But Brussels is no Barcelona, where at the same time Gaudi was giving substance to his wildly imaginative dreams of an organic architecture. In the sober light of the Belgian capital, excess is usually kept under control. But, as anyone who has walked around the city with an alert eye will know, fantasy surfaces time after time—in wrought-iron balconies, transom lights, oriel windows, drain pipes, in the owls that turn up over a front door on Avenue Brugmann.

Few of Brussels' Art Nouveau interiors are visitable, especially since changing tastes have led to the remodeling of so many stores, hotels and commercial buildings. However, tours are often organized to visit some of Horta's major achievements, and there remain a few easily accessible interiors that survive in something like their original splendor—a restaurant, De Ultieme Hallucination, by Paul Hankar at 316 Rue Royale, that is full of exuberant Art Nouveau flourishes and the lobby of the modest hotel at 66 Rue de L'Hôtel des Monnaies, originally built by Horta as a private house, with a sinuous cast-iron staircase on the balcony and mosaic floor.

Still, in a sense, this is all as it should be. Art Nouveau architecture is part of the city's daily life. There is no other way to savor it fully than by strolling through Brussels—and, of course, no better way of seeing the rest of the city, either.

Dale Harris, professor of literature at Sarah Lawrence and professor of art history at Cooper Union, wrote this for The New York Times.

Windows in De Ultieme Hallucination, building on Boulevard Clovis.



Oak Park Tolls for Hemingway

Ernest Hemingway grew up in Oak Park, Illinois, but didn't think much of it (he reportedly called it a community of broad lawns and narrow minds). However Oak Park is now re-evaluating its famous son.

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TRAVELER'S CHOICE

Bastille Day Extravaganza

Jean-Michel Jarre, a composer and organizer of large-scale live and electronic son-et-lumière events, is to mount an extravaganza in the Paris area for the Bastille Day holiday on July 14. Jarre, whose recent exploits include a show in London's new Docklands area, plans to light up the vast La Defense business district to the west of the capital with a show entitled "A City in Concert." Crews have been erecting scaffolding to hold a vast stage while climbers have been scaling La Defense's office buildings to put up giant projection screens. Jarre will use satellite links to transmit sound to speakers over a large area of Paris and the western suburbs. Participants include a 110-voice chorus and a 50-member cello group from Trinidad, the Amoco Renegades.

Dr. Johnson's House Reopens

The London residence of Dr. Samuel Johnson at 17 Gough Square (off Fleet Street) is open again after a renovation of more than two months. There have been only slight changes in the presentation of Johnson memorabilia—which includes first editions of the lexicographer's 1755 Dictionary of the English Language. Chiefly, said a spokesman, the rooms sport a fresh coat of paint and new carpeting. "Renovation—no more than the word implies."

Léger Works Get New Display

The complete holdings of the Fernand Léger Museum in Biot, on the French Côte d'Azur, are on view for the first time after completion of the museum's expansion in June. On view are 348 works done by Léger between 1905 and 1955. A new gallery is devoted to the artist's murals, and a mosaic designed but never assembled by the artist is near completion. (Musée National Fernand Léger, Chemin du Val-de-Rème, 06410 Biot.)

Easing the Long Waits at Narita

For travelers passing through Narita Airport, 40 miles from Tokyo, those notorious layovers may

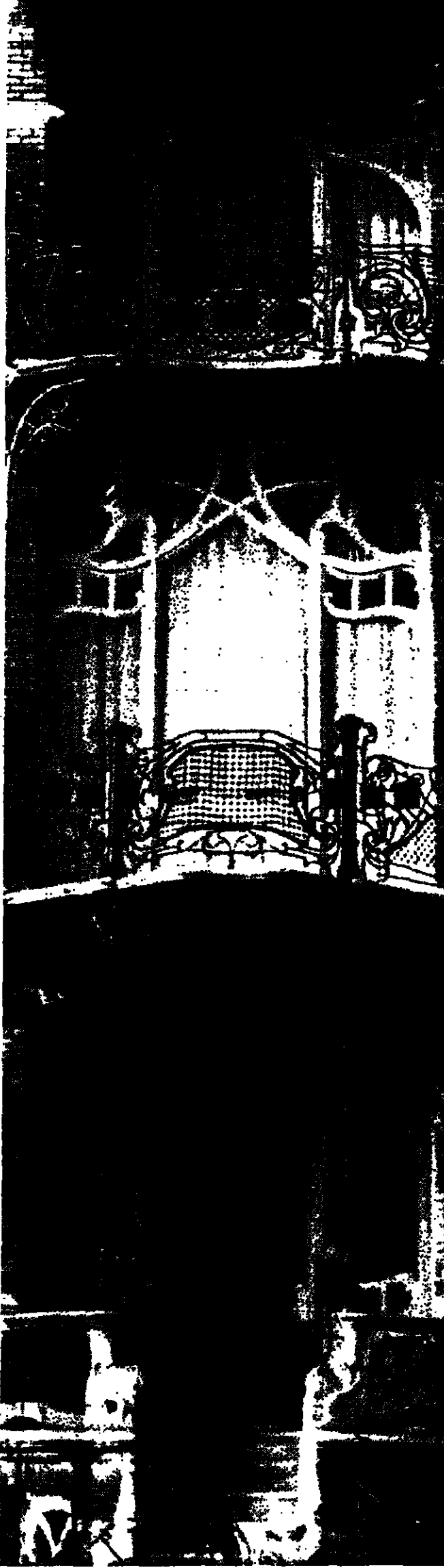
no longer mean aimless browsing through duty-free or hours with airport literature. The Japan Travel Bureau, a tour company, has designed a series of four land tours from Narita, starting in the morning and returning by late afternoon, for passengers with long waits for connecting flights. Some trips include an English-speaking guide; others provide only transportation and leave travelers on their own. Four routes are offered. Depending on itinerary, tours take from three to six hours. A tour called "Narita Village Life" takes in a bonnet garden, the Naritasan Temple, Boon-Mura, a craft museum, and the Narita Decorative Fish Hatchery. "Tokyo Highlight" is a six-hour trip to see the Imperial Palace Plaza and the Ginza and Marunouchi districts and get a panoramic view of the city. Travelers also may choose a full-day tour to Tokyo Disneyland.

Fare Cuts on Austrian-Czechoslovak Trains

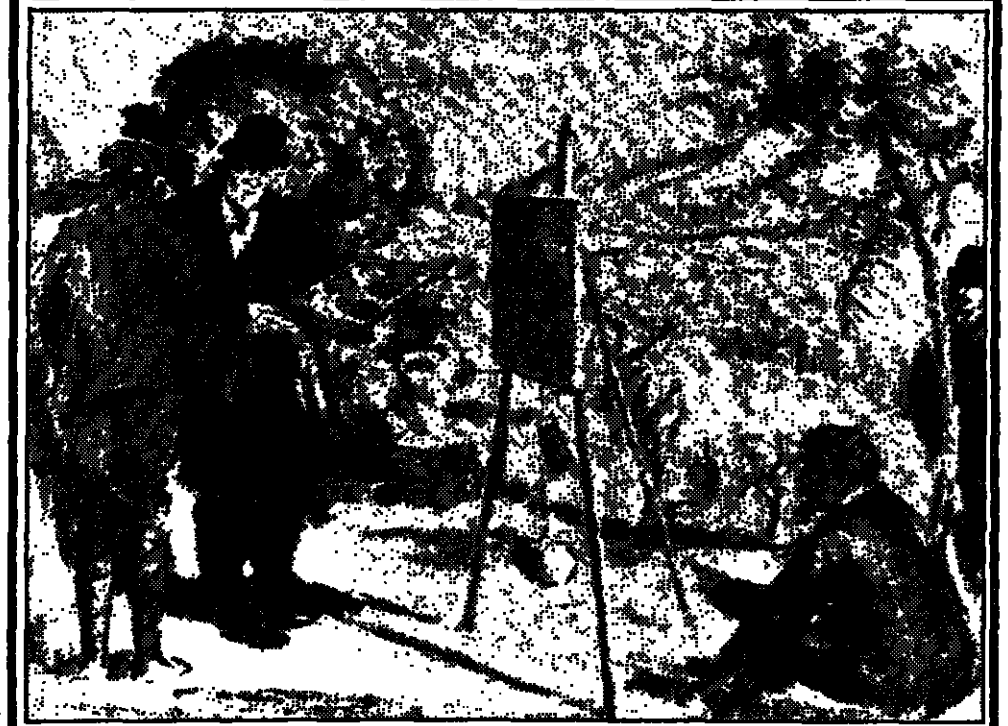
To promote rail travel between Austria and Czechoslovakia, the state railways of the two neighboring countries have temporarily reduced fares by 30 to 40 percent for certain trains linking Vienna with Czechoslovak cities. For example, the round-trip fare between Vienna and Prague in second class is \$38.50 (based on 11.7 Austrian schillings to \$1) for the 1:29 P.M. train from Vienna's Franz Josef Station reaching Prague at 7:36 P.M. The return leaves Prague at 6:15 A.M. and arrives in Vienna at 12:37 P.M.

Courtauld Galleries in New Home

The Courtauld Institute Galleries in London have opened in their new home in the newly restored Somerset House in the Strand. The new quarters enable the Courtauld's art collection and the Courtauld Institute, Britain's leading center for the study of the history of art, to be housed together. The collection includes such Impressionist masterpieces as Manet's "Bar at the Folies-Bergère," van Gogh's "Self-Portrait With Bandaged Ear," Cézanne's "Card-Players" and works by Renoir, Monet, Degas, Fissotto, Sisley, Bonnard and Gauguin. Also on display are works by Rubens, Van Dyck, Goya, Botticelli, Tiepolo and Rembrandt.



Les Hiboux (The Owls) on the Avenue Brugmann.



"Visite à Cézanne," a 1906 painting by Maurice Denis of the artist at his easel.

At Last, Aix Fetes Cézanne

by Sara Wright

AIX-EN-PROVENCE, France—The ill wind that blew a mistral clocked at more than 140 kilometers (86 miles) an hour—fanning last summer's brutal fire that devastated thousands of acres on Montagne Sainte-Victoire turns out to have blown some good: The city of Aix-en-Provence is at last holding its first important exhibition of the pictures that Paul Cézanne painted of the mountain, and local and regional authorities are mounting a long-term reforestation project to help prevent fires on such a scale.

The proceeds from the Cézanne show will go toward the herculean task of cleaning out burned trees—mostly pines that explode and then die—and replanting less volatile species such as oak, the indigenous tree of Provence, thinned out by shipbuilding from Roman times to the end of the 18th century.

The fire has changed the way an entire generation will see Sainte-Victoire, one of France's best-known sights. The once cool, green flanks are now a mass of scree, the remaining trees are bare, and charred rock has replaced the wild thyme and the sage. These will grow back—in fact, the heavy spring rains have already brought grass to some places—but it will take time (20 years for the oaks), money, and hard work.

The mountain appeals to a wide spectrum of interests. Lovers of art know it because of Cézanne, who was born in Aix in 1839 and died here in 1906. Geologists study the Tertiary period "accident," when the limestone mass folded over on itself. Paleontologists have found dinosaur eggs at its base. Alpinists recognize it as a challenge that has claimed

many lives. The devout have a long history of pilgrimages to the shrines of Sainte-Victoire and Saint Ser. City dwellers relish picnics on its slopes.

The exhibition "Sainte-Victoire-Cézanne," which runs until Sept. 2 at Aix-en-Provence's small Musée Granet, will be a sort of vindication of the painter, who by rights should always have been a local hero and curiously was not, and a triumph for Denis Coutagne, the Granet's young curator, who knew that a show of such importance takes years to put together, not the nine months he had.

Coutagne was driving home from northern Provence on Aug. 28, 1989, having just completed a new critical study "Cézanne," when he saw the mountain in flames. Serge Guillaume, an IBM-France regional director, inspired by a recent van Gogh show in Arles, had been musing on the possibility of his company's sponsoring a Cézanne show in Aix. The fire galvanized them into action.

Through a combination of persuasion and horse trade—Coutagne is sending Cleveland one of his treasures: Jean-August-Dominique Ingres's portrait of the 19th-century landscape painter François-Marius Granet—a major show has been assembled in record time. There are 34 Cézannes, of which 20 are oils. It is a rare chance to see so many works of the painter on the theme that is inextricably identified with his genius.

The show begins with an anonymous painting of "La Chartreuse de Sainte-Marthe" (1648), the first known representation of Sainte-Victoire, which is seen as a sharp angle in the background. "Ecole des Soeurs" (1826) by Granet, who had an important influence on Cézanne, shows nuns at work in

Continued on page 9

TRAVEL

THE FREQUENT TRAVELER

The Airline Bump: Everybody's Doing It

by Roger Collis

THE moment that every seasoned traveler dreads. You've checked in, the plane is on time for once, and you're waiting to board when an airline clerk approaches. "I'm terribly sorry, sir, the flight is overbooked. And as you're the last to board, we'll have to bump you." The law of averages has finally caught up with you. You've been bumped. Get me a phone. Good-bye, budget meeting.

Bumping, or "involuntary boarding denial" in airline jargon, is what happens when you are refused a seat on a plane for which you have an "O.K.," a confirmed reservation. It's a shady issue that airlines prefer to consign to the small print. And few people get excited about it, unless they have actually been bumped.

A lot of horror stories may seem apocryphal, but if it happens to you, it can seem the end of the world. So it's important to know what sort of recompense or "denied boarding compensation" you should expect, which may influence your choice of airline. American carriers, subject to Department of Transportation rules, are mostly good — less so abroad — while those in Africa and the Middle East are mostly bad about compensation. The Association of European Airlines has voluntary rules, which are more or less followed by its 21 members.

Some airlines, like British Airways, KLM and SAS, always ask for volunteers to accept cash payments; others bump with impunity. The EC Commission has come up with draft rules, to be put into effect later this

year, that have raised criticism by airlines and consumer groups. British Airways acknowledges bumping about 10,000 passengers, including volunteers, of the 25 million it carried last year. Overall, in the United States and Europe, the number of passengers bumped annually varies from five to 10 per 10,000. But numbers are hard to come by; it could be 15 or more for some carriers. This means that at Heathrow in London, the world's busiest international airport, an average of 50 to 80 passengers a day may be bumped by the 70 airlines operating there.

Bumping, or 'involuntary boarding denial' in airline jargon, is a shady issue that airlines prefer to consign to the small print.

The reason passengers are bumped is that airlines overbook flights by 15 to 30 percent. They contend they need to do this to compensate for no-shows, people who fail to turn up for a flight on which they are booked.

Sefik Yucsek, the general manager for commercial affairs at the Association of European Airlines in Brussels, said, "A study we did showed that in any specific year our 21 member airlines lost one million seats from fully booked flights as a result of no-shows, representing a loss in revenue of \$200 million — around 1.5 percent of total passenger volume."

Ray Grainger, an official at British Airways in London, said, "If we didn't overbook, we'd go out with lots of empty seats. We get around 15 to 20 percent of no-shows, even more with certain business routes."

"Overbooking also means that we are able to offer more seats on each flight. Last year we rebooked 60,000 passengers on flights they wanted to go out on. Of course, on occasion, we're going to get it wrong."

Airlines try to shift the blame for overbooking and bumping to the business traveler who makes multiple bookings or fails to cancel. But the blame lies as much with travel agents and airlines themselves.

Agents may forget to cancel bookings or check whether there's space on a flight before issuing a confirmed ticket. Airlines often fail to cancel a reservation when a passenger has left earlier and often do not notify other carriers when delays occur in connecting flights.

"The cases we know where very large numbers of people are bumped knock the no-show story on its head," said Tony Lucking, a veteran traveler and a consultant to the Air Transport Users Committee, a London-based consumer body set up by the Civil Aviation Authority.

"The prime cause of bumping is airlines keeling over from commercial pressures: giving priority to high-yield, long-haul connecting passengers and making space for groups."

He said he had once been bumped at Stavanger, Norway, to make room for a tour group con-

\$400 cash and \$500 in vouchers for delays on long-haul flights.

"First we upgrade people to another class, and then whenever possible start to call for volunteers," Grainger of British Airways said.

BA does what it calls "queue combing." People are asked at check-in whether they would be prepared to give up their seats should the flight be overbooked.

"Staff are trained to sell the idea," Grainger said. "There's a hell of a difference between off-loading voluntarily and involuntarily."

"Payments vary according to routes and the amount of delay. But to give you a flavor, if you are delayed less than four hours on your flight to Nice, we'd give you £60 (\$110) or a £90 voucher; four to 12 hours, you'd get £100 cash or a £150 voucher; over 12 hours, £150 cash or a £225 voucher plus overnight expenses and all the messages you want to send."

THE draft rules by the European Community's executive body are something of a bumper's charter.

Asking for volunteers would be mandatory. Passengers would be entitled to at least 25 percent of the value of the lowest fully flexible ticket for delays of 30 minutes to two hours within the Community and four hours elsewhere. This rises to 50 percent for longer delays and to 100 percent if a passenger loses his "right for a flight to his final destination."

One snag for the full-fare business passenger is that the EC draft provides boarding priority for those holding tickets that are not fully flexible. This has raised some hackles.

"As usual, it's all falling on full-fare economy passengers who have paid for flexibility," Lucking said. "As it stands, business travelers will be the ones left out," Yucsek said.

To avoid bumping, check in early and whenever possible get your boarding card in advance for a return or onward flight. It is always a good idea to reconfirm. And make sure your reservation is actually registered by asking for the computer code. After that, it's down to your management style at the gate.

On the other hand, if the proposed EC rules are adopted, you may want to become a professional bummer. Airlines may find it harder to cope with those passengers who are disappointed at getting a seat.

necting at Heathrow for Madrid.

"Another time," he said, "I was part of a group of 18 stranded at Nairobi by a Kenya Airways breakdown. BA bumped full-fare passengers at Johannesburg as well as Nairobi to make room for us, showing the buying power of tour operators."

The compensation procedure in the United States tends to be more enlightened than elsewhere. The Department of Transportation requires airlines to ask first for volunteers to give up their seats in return for cash or travel vouchers. This is conducted as a kind of auction at the gate. Usually, there are enough volunteers.

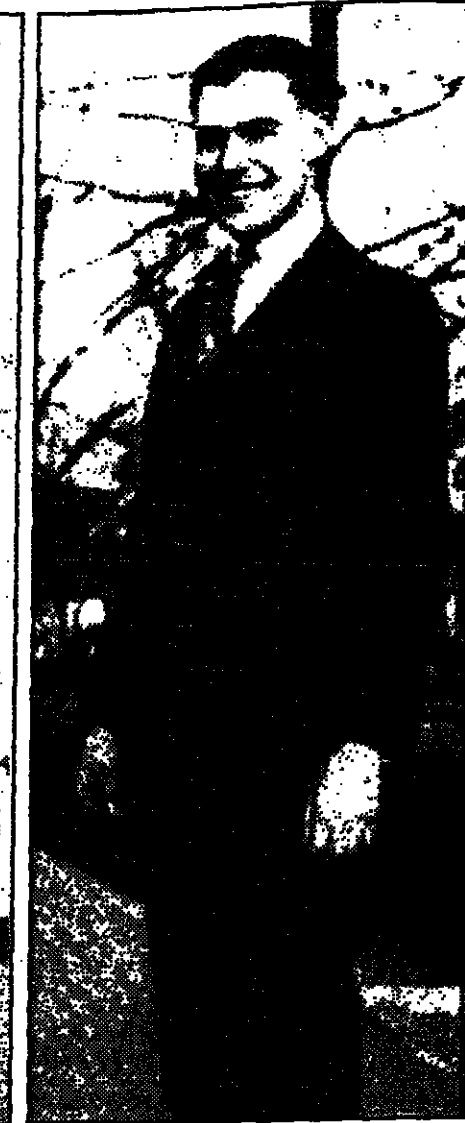
If not, airlines must pay compensation of \$200 if they can get "bumpers" to their destinations in less than two hours on domestic flights and four hours on international flights. If the delay is longer, they are entitled to compensation of twice the value of the flight coupon, up to a maximum of \$400, along with overnight expenses.

In Europe, the airline association has a voluntary plan whereby airlines pay a maximum compensation of \$150 for a delay of at least four hours within Europe and six hours for a long haul. Some airlines do not even apply these minimal standards and, worst of all, bump passengers on an arbitrary basis.

The only European airlines to offer compensation U.S.-style are BA and KLM. Both try to get volunteers and offer inducements in cash and vouchers. SAS has now followed with more generous compensation: \$200 in cash or \$300 in vouchers for delays of more than four hours within Europe and up to



Hemingway's birthplace in Oak Park; Ernest at 16.



Come Home Papa, All Is Forgiven

by James Krohe Jr.

THE story is told in Oak Park, Illinois, about how in 1899 a proud Dr. Clarence Hemingway blew upon his cornet from the front porch of his family's house to herald the arrival of the newborn Ernest Miller Hemingway. The incident stuck in people's minds because three-quarters of a century would pass before anybody else in Oak Park would make any noise about Ernest Hemingway having been in it.

The future Nobel laureate was not just born and raised in the western Chicago suburb. Biographers may disagree about whether Oak Park made Hemingway a man but it certainly helped make him a writer; the Oak Park High School English department administered doses of Rudyard Kipling as if he were castor oil, to build the blood. That alone makes the town an essential stop on any Hemingway hajj.

Since 1980, the traffic in biographers alone through Oak Park has supported a modest bed-and-breakfast industry. The general traveler, alas, finds no signs on the expressways hinting that the man who wrote "The Sun Also Rises" had been born only a left turn away. The guidebooks scarcely mention him; perhaps he, almost alone among Oak Parkers and their neighbors, did not live in a house designed by Frank Lloyd Wright. Wright, of course, is the hero of a guided tour. But there is no regularly scheduled tour of the haunts of Ernest Hemingway's youth.

Hemingway's Oak Park was a bastion of progressive Christianity, a veritable den of achievers, built as a haven from Chicago by well-to-do WASPs. Having no troubles of their own, Oak Parkers of that day devoted themselves to solving everyone else's. They were missionaries, social workers, cause-supporters, moralists and a little smug; as Michael Reynolds put it in "The Young Hemingway," Oak Park at the turn of the century was an easy town to be bad in. Today a troubled world seems a lot closer to Oak Park than it once was, but otherwise Oak Park, a village of nearly 55,000 has not changed much.

OPINIONS about the writer in his hometown have remained edgy long after Hemingway's death in 1961. He is alleged to have made a remark about Oak Park being a place of broad lawns and narrow minds, but no one has been able to find out when he said it or to whom. His detractors reply that even if Hemingway did not invent the insult he would have claimed it. He made plain his opinion that the town had been too primly Victorian for a young man of his robust appetites. His opinion of both himself and the town was exaggerated, but it caused Oak Park to reciprocate in kind. When Hemingway won the Pulitzer Prize in 1953 for "The Old Man and the Sea," for example, the local newspaper gave the news two inches on the back page. The performance of a local barbershop singing group was judged to be worth four inches on the same page, but then harmony of all kinds was usually overpraised in old Oak Park.

As recently as the 1970s the town still could not bring itself to list Hemingway on its honor roll of notable high school graduates. And while it is true that the Oak Park Visitor Center now has two kiosks of captioned photographs that recount the tales of Hemingway's mother, Grace, and the Rifle Club and Walloon Lake, the exhibit has been placed inconspicuously behind a display of T-shirts, postcards and books about the town's rich array of Prairie Style houses. (Two dozen dot the area; Oak Parkers were conservatives about culture but radicals when it came to pretension.) Hemingway — whose books were kept off the open shelves of the public library until some thirty years ago — is still hidden behind a counter in Oak Park.

Most of Hemingway's disapproving contemporaries are now dead by now. Curiosity has replaced condemnation among most of their successors. Among some Oak Parkers, in fact, Hemingway is cause for pride, proof that even if you can't make art in the sub-

The general traveler, alas, finds no signs on the expressways hinting that the man who wrote 'The Sun Also Rises' had been born only a left turn away.

urbs, you can at least make artists. Finding a way to make that point to a skeptical world was one of the main reasons that Ernest Hemingway Foundation of Oak Park organized itself in 1983 and set about founding a museum there devoted to Papa's life and works.

Ideally such a museum would be housed in one of the three Oak Park houses Ernest spent his time in during his 20-odd years there. They are big enough, like most of their neighbors in the posh part of town, the Hemingways lived on what today seems to be an institutional scale. Alas, all three houses are owned by people unwilling to sell just yet, which has left the fledgling foundation with the job of building a tourism industry with nothing for people to tour.

The foundation warns that if Oak Park does not take credit for the writer's formative years, some other place will. They note that Chicago — Chicago! — is marketing itself these days as a Renaissance city. Culture is expected to be a mainstay of its postindustrial economy, the experts say, which means that Hemingway and Nelson Algren and Carl Sandburg will have to keep turnstiles clicking until Saul Bellow gets to feeble to fend off the landmark bureaucrats.

The State of Illinois tourism office has been running full-page magazine advertisements in Europe and Japan touting Chicago as a "destination city," one of which uses Hemingway as a come-on. His photograph appears beneath a caption that reads, "Dedicated to everybody who thinks Chicagoans only write cheques." (The fine print explains

that the only link between Chicago and Hemingway's writing was the hours the boy spent in the Field Museum's Hall of African mammals flexing his trigger finger.)

The real threat to the foundation's hopes comes not from the other side of town but from the other side of the continent. Hemingway's house on Whitehead Street in Key West, Florida, is today privately owned but it open to the public as a museum. People stand in line to get in, although whether they crowd in to see where "The Snows of Kilimanjaro" was written or merely for a chance to suffer their hangovers out of the hot sun would be hard to say.

Hemingway, in other words, was one more trend to which the Sun Belt beat the Midwest. Among the treasures that some day will be displayed in an Oak Park Hemingway Center is a stuffed loon that the young Hemingway shot in Michigan. Visitors to Key West, in contrast, may mull the significance of an entire wildebeest, shot by the author while on safari in 1933 and mounted by him as if to show one and all what a man can do once he leaves the Oak Parks of the world.

THE writer himself deserves some of the blame for Oak Park's low status among tourists' trends. Hemingway did not transmute his hometown experiences into popular prose the way, say, Mark Twain did. The Hemingway Foundation is thus forced to borrow motifs from later, more lively periods of the writer's life to decorate its annual Hemingway Festivals, which are week-long programs of readings, lectures, films and public entertainments held each July to advance the notion that literature can be fun.

The economic development possibilities of such conferences were suggested by the survey of the crowd taken by foundation members: 300 people reported that they had come to Oak Park from eight different states.

English majors out for a good time hold no terrors for most Oak Parkers, since the town has some experience with highbrow tourists. Some 70,000 people a year wander through Oak Park and environs gawking at the two dozen or so buildings designed by Frank Lloyd Wright, whose restored home and studio stands only three blocks from the house where Hemingway grew up.

Visitors to Oak Park may be able to demand their choice of tea in their bed and breakfasts, but as host the town will decide what flavor of Hemingway will be served. Oak Park thus will have the last word in what Frederick Crews called "the anxious, resentful quarrel" that Hemingway carried on with his hometown his entire life. Hemingway Foundation officials, for example, make clear their distaste for what one describes as the "far-out psychographic stuff" being offered by prying scholars, and prefer to focus on church, school and the extended family. Something more precious than prosperity is at stake in Oak Park, and that is pride. Washing the Hemingway's dirty linen in public is one thing. Putting it on permanently on display is something else.

James Krohe Jr. is a contributing editor at Chicago Times magazine and a resident of Oak Park, Illinois. He wrote this for The New York Times.

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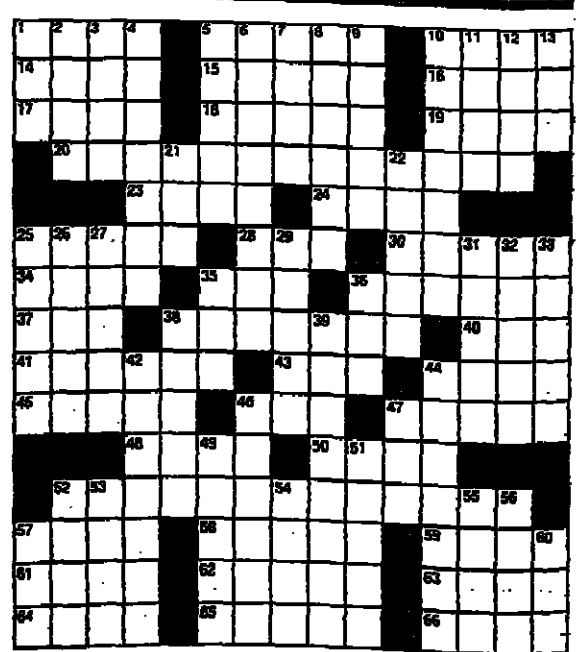
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TRAVEL

When in Istanbul,
A Monthly Luxury

by Lawrence O'Toole

WHEN in Rome, they say, do as the Romans do. Finding myself in Istanbul, how could I not have a Turkish bath? I'd never had a real Turkish bath before, although I'd sweated bullets in steam baths in various health clubs all over New York. My associations included the usual indolent odalisques, lawning eunuchs, carefree caliphs.

I hadn't even thought of a Turkish bath until I met my first Turk. I met Selim while chatting with four nurses from Vancouver in a café behind the Blue Mosque, where he mentioned that he bathed once a month. Once a month, even for someone like myself who likes to rough it while traveling, seemed rather extreme. All the same, Selim was quite presentable to my olfactory sense and, apparently, to those of the four nurses.

Was a Turkish bath so good it lasted you for 30 days? Or such an ordeal that one returned only when it was absolutely necessary?

Selim gave me the goods on the best bathhouse in town. Tourists, he said, rarely frequented the bathhouses. Off I went and, arriving at the address through a warren of streets and alleys, traded the humidity of the Istanbul streets for the immediate coolness of a large room in which men were sitting around sipping tea and smoking hookahs. I clumsily pantomimed my needs, paid about \$5, and was taken to a small cubicle. Each one, I later discovered, was outfitted with a small couch and *stunning, although ancient, Turkish rugs*.

Undressed and outside my door in a towel, I was greeted by a man who announced himself, through sign language, as my masseur, Ali. It struck me as odd that this man, whose wrinkled and sunburned face was that of a well-preserved 60-year-old, had the body of a young athlete. Parrots could have perched on both sides of his huge, curled mustache. Ali's stride, as he led me through several steamy recesses into an enormous circular room drenched in haze, seemed to have so few years in it. I felt like a grandfather next to him.

At the center of the steam room was a huge slab on which I was to lie until Ali returned. I soon began to sweat like I never had before. After 10 or 15 minutes I had achieved a relaxed, druggy state. I didn't care if I ever got up from that slab again.

Ali returned. What came next was an unexpected yanking of one of my arms, then the other. I was horrified. "Please," I said, "these are hard to come by," but he merely smiled and nodded his general approval of my existence. Then—yank—one leg, then another. My terror ceased, and there came a feeling of enormous well-being.

NOW he began to seriously massage me—arms, legs, shoulders, chest—and I began to sink into a state of mild bliss, but was brought back to reality when I felt his hands start to knead my stomach as if it were dough. Yet, as his expert hands went to work, my stomach muscles surrendered. By the time he was done with me I was deliciously content.

Then Ali motioned me to one of the several alcoves off the main steam room, and taking a rough, wet cloth, he proceeded to scrub me down hard. A little pain blended with pleasure. When finished, he showed me a rather large and disgusting ball, and laughed. It was my skin. Now I understood why Selim bathed only once a month: If he did it more often, there wouldn't be much left of him.

My bath ended with Ali's peeing little cups of water at me, then several big buckets full. He ushered me out of the main steam room and back to my cubicle, where he suggested I lie and relax. I had no problem with that. I could barely walk.

I had never felt such a lightness within myself. After what could have been a few minutes—or a couple of days—a knock came at the door. It was one of the attendants with a small glass of amber-colored Turkish tea. It was delicious. And I don't even like tea.

When I finally emerged into the heat of the Istanbul street I felt remarkably cool and fresh—for a remarkably long period of time. I considered that Ali was so eternally young because toxins didn't have a prayer of staying inside his body.

Lawrence O'Toole, who once looked on massage as a luxury and now sees it as a necessity, wrote this for The New York Times.

The Third Man's Vienna

by Michael Balter

VIENNA—The Baroque house at Schreyvogelgasse 8, just off the Ringstrasse, is in much better repair than it was 40 years ago.

A new door has been fitted into the entry, and the building's once peeling facade is now painted a bright yellow. Yet the two sleepy cherubs above the portal remain, as does the stone wall across the road—the wall from which Joseph Cotten drunkenly challenged the hiding man to "come out, whoever you are!" The light from a facing window fell suddenly on the doorway, revealing the snickering face of Orson Welles, one of the most startling entrances ever made on film.

Carol Reed's 1949 film "The Third Man" set in occupied Vienna at the end of World War II, is an exquisite mélange of dark mood and atmospheric locale. Graham Greene's cynical screenplay about the ruthless black marketer Harry Lime (Welles)—who faked his own death only to be foiled by his old school chum Holly Martins (Cotten)—found melancholy accompaniment in the pungent zither music of Anton Karas and the bombed-out, rubble-strewn landscape of Vienna.

"The Third Man" delivered such a stark portrait of Vienna's wrecked grandeur, froze it so completely in history, that seeing the film can change your experience of the city. At night, especially, the cobblestoned streets and squares take on a sinister cast and the imagination begins drifting back in time. This may explain why the film plays frequently here, even though it depicts an era the Viennese would probably rather forget.

According to Greene's account of the film's genesis, Alexander Korda asked him to write a screenplay about the four-power occupation of Vienna. Some years earlier, on the flap of an envelope, the novelist had jotted down a story line about a man named Harry who turns up alive a week after his funeral. From this scant beginning, he and Reed fashioned a multi-layered fable about evil and innocence, love, loyalty, duty and betrayal. In Greene's pessimistic, profoundly Catholic view of the world, the unrepentant villainy of Harry Lime found its counterpart in the decay and corruption of the former imperial capital.

Reed once tried to explain the success of "The Third Man" by commenting that it was among the first British postwar films made chiefly on location. The director chose easily recognizable landmarks for most of the exterior



Entrance to the Palais Pallavicini, Harry Lime's "house"; Joseph Cotten in "The Third Man."

scenes, although often the action began in one part of the city and quickly shifted to a distant location. The house on Schreyvogelgasse, for example, where Holly Martins spies the supposedly dead Harry Lime lurking in the doorway, is just around the corner from the Burgtheater. Yet the next moment, Lime, with Martins in pursuit, is seen halfway across the city's old center, running down a passageway next to the Baroque church on Am Hof square.

LATER, Martins returns to Am Hof—where Lime seems to have vanished into thin air—with Major Calloway (Trevor Howard) and Sergeant Paine (Bernard Lee) of the British military police. Today, the vast, empty, cobblestoned square seen in the film is marred by an underground parking lot, and the small fountain where an exhausted Martins splashed water on his face at the end of the futile pursuit was removed long ago.

Am Hof was also the setting for the apartment of Anna Schmidt (Alida Valli), the beautiful Czechoslovak refugee who was Harry Lime's mistress. Although some commentators on "The Third Man" dismiss her as merely the "female interest," Anna's sorrow

over the supposed death of her lover provides much of the film's emotional undercurrent. Even when she learns the worst about Lime, Anna refuses to help capture him.

Harry Lime's address in Vienna was Stufgasse 15, but the real Stufgasse is off Mariaböfstrasse, outside the inner city. The setting used for Lime's home was the Neoclassical Palais Pallavicini, facing Josefplatz, near the Winter Riding School. This is probably the least changed of all the locales used in the film. The two pairs of stone caryatids on the sides of the doors remain, as does the statue of Emperor Joseph II in the square, to which Harry Lime's body was carried after he was supposedly run over by his own chauffeur.

A subtheme of the film, as The New Yorker magazine recently put it, is the "clash between English rectitude and American innocence." Holly Martins's naive attempts to "get to the bottom" of Lime's apparent demise are at first rebuffed by Major Calloway. "Death is at the bottom of everything," Calloway tells him. "Leave death to the professionals." But when Martins's bungling eventually reveals the truth about Lime's disappearance, Calloway is able to manipulate his idealism and convince him to betray his old friend.



A rendezvous with Lime is arranged at a café in the Röhrl Markt, a rectangular square not far from Ruprechtskirche, which also appears in the film. As Calloway and Paine hide behind the towering Baroque fountain and Martins sits in the café nursing a cup of coffee, the camera gives a wide-angle view of the destruction the war had brought upon Vienna. When Lime appears at the top of a hill of rubble overlooking the square, the scene is a vivid portrait of a city at the lowest point in its history.

MOST of the climactic chase through the sewers was filmed beneath Karlsplatz, although some of the wider shots were staged at the Wien River in the Stadtpark. The octagonal grate leading to the sewers, through which Lime hoped to make his escape from Calloway, can still be seen in the small park across from the Museum Café, at Friedrichstrasse and Operngasse. And the dusty avenues of the Zentralfriedhof, the cemetery where the unhappy ending of "The Third Man" was shot, look pretty much the same today as 40 years ago, albeit a bit more trimmed up.

Probably the film's most memorable sequence takes place at the Riesenrad, the great wheel in the amusement park in the Prater. The Riesenrad had been nearly destroyed in 1945 by Allied bombs, but the following year it was restored, although with only half the original number of red cabins. The cinematographer, Robert Krasker, photographed it in bold silhouette against the gray sky; a yellowing photograph from the film has for years been displayed at the entrance to the ride. Here Martins

and Lime meet, and Orson Welles, in one of his shortest but most persuasive film appearances—which features the famous "cuckoo clock" speech—almost walks away with the movie.

This scene is the bleak moral climax of "The Third Man," a statement of the helplessness of innocence in the face of evil. As the giant wheel lifts their cabin high above the city, Lime callously defends his crimes to the friend he has known for 20 years.

"And you used to believe in God," says Martins.

"Oh, I still do believe, old man," Lime replies. "In God and mercy and all that. But the dead are happier dead. They don't miss much here, poor devils."

"What do you believe in?" Michael Balter is a free-lance journalist living in Paris.

Cézanne and Sainte-Victoire

Continued from page 7

a darkened room, and through an open door, the mountain glows in a pure Provencal light.

There is a room devoted to other artists who have painted Sainte-Victoire, from the Kandinsky-like canvases of André Masson, who had a house under the mountain, to a real Kandinsky, Pablo Picasso's "Le Buffet de Vauvenargues," painted in 1959, the year he bought the Château de Vauvenargues on the north side of the mountain, uses a heavy piece of Spanish furniture as a symbol of the totem—the mountain—he would not paint. There are also large canvases by living painters with the Montagne Sainte-Victoire in mind. For example, Bernard Buffet painting from his Château de l'Art, and François Aubrun, who teaches at Paris's Ecole des Beaux-Arts and lives in a house painted by Cézanne.

The identification of Cézanne with "his" mountain may be why Picasso, not otherwise known for his reticence, hesitated to paint Sainte-Victoire. Coutagne points out that those two giants of 20th-century art are buried on either side of the mountain: Picasso at his chateau and Cézanne in the Aix cemetery, 10 kilometers apart as the spurs fly.

One can only speculate why Cézanne was so little appreciated in Aix, in his day a small city of 20,000 people but highly conscious of its aristocratic tradition as the former capital of Provence.

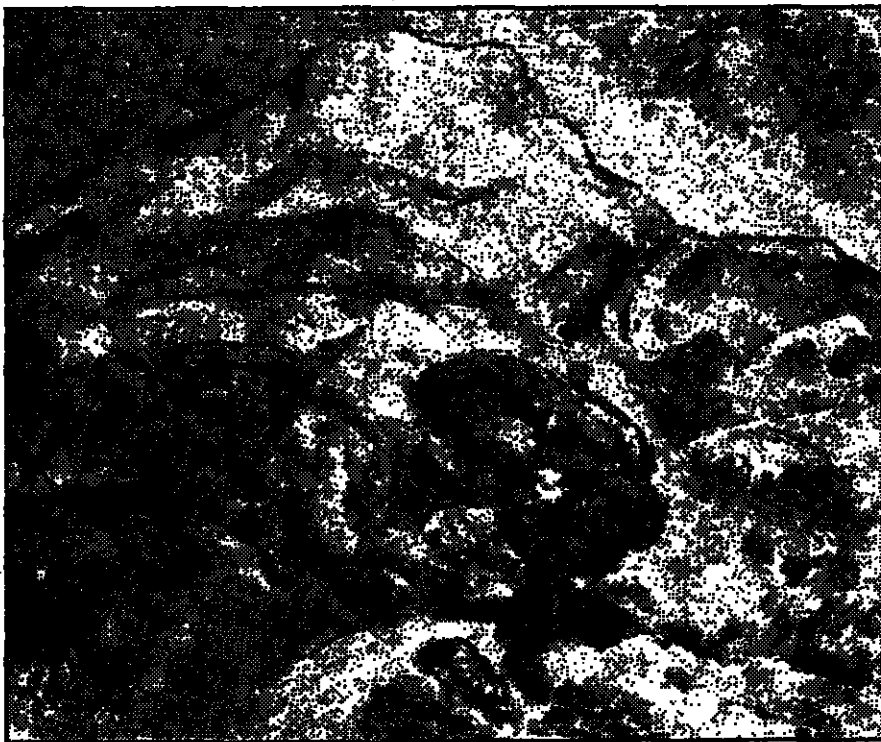
Cézanne's father was a hatmaker who became a banker and bought the beautiful old house, Jas de Bouffan, still standing on the outskirts of the city in its alley of plane trees. Young Paul was a gruff, noncommunicative sort. Very early on, he had a precise idea of his worth, an attitude that does not always please, and he wrote in 1874 to his mother, "I begin to feel that I am better than those around me . . . and you know the good opinion I have of myself is an entirely objective assessment."

Some of this was bluster; Cézanne shrunk from telling his father, who supported him, of his liaison with his model, Marie-Hortense Fiquet. He kept it from his father for 15 years, until after their son was born and they were finally married in 1896 in Aix's city hall. When Cézanne's oldest friend, Emile Zola, another Aixois, wrote the novel "L'Œuvre," about a frustrated artist, Cézanne broke with him forever.

THEN, too, Cézanne was a cerebral, not easily accessible painter. His early efforts portray dark, blocky figures, often reading or with their eyes otherwise disengaged from the spectator. The portraits seem detached. But Cézanne was not interested in painting character; he was painting forms.

There were no Cézannes at the Granel until 1984, when the Louvre donated eight small canvases. These can be seen as a short history of Cézanne's development. There is an early classical school work, a dark, thickly painted "Still Life" (1860); a landscape, "Caesar's Tower," much influenced by Granel; a small portrait of the long-suffering Hortense (1885); a study in forms and planes; "Apotheosis of Delacroix" (1894), and a limpid "Bathsheba," painted between 1885 and 1890. The lush curves of her body seem to echo the form of the mountain.

Coutagne emphasizes in the catalogue that while Cézanne was indeed revolutionary



Cézanne painting of Sainte-Victoire; from the Hermitage.

in his methods of observation and painting, he may also be seen as continuing the great tradition of classical French landscape painters like Nicolas Poussin, who worked in the first half of the 17th century. But while Poussin painted landscapes based on studies of perspective known since the Renaissance, Cézanne's perspectives were studies in the relativity of seeing. In "The Shock of the New," Robert Hughes says, "The eye and its objects inhabit the same plane, the same field, and they influence each other mutually and reciprocally."

While Cézanne was not, to our knowledge, aware of the work of Alfred North Whitehead or Albert Einstein, he was struggling—and in all his writings he complains of the difficulty of what he was trying to do, what Hughes calls his "herculean doubt"—to paint the relativity of what he saw.

When you walk through the Granel show, you will see real places such as the Château Noir, which still stands on Route du Tholonet, as well as the Bibemus quarry and the pine trees that can be seen around Aix. But Cézanne's intentions were not anecdotal. He was trying to paint how he saw as well as what he saw.

No theorizing need stand in the way of the sheer, breathtaking beauty of these pictures. From the pale, distant "Sainte-Victoire Seen From Gardanne" (1885), from the National Gallery in Washington, to the 1904 version from Cleveland's Museum of Art, details are gradually eliminated in favor of pure form realized by glorious color in an almost hypnotic progression that ends with the "Sainte-Victoire" (1904-1906) from the Kunstmuseum in Basel. It is the very essence of the mountain, glowing with an almost unbearable intensity of vibrant color.

The show is open every day from 11 A.M. to 7 P.M.

Other museums in Aix are showing Sainte-

Victoire, Cézanne or fire-related exhibitions. Pavillon de Vendôme, 34 rue Céron, is showing graphic works by Jean-Antoine Constant and Granel. Open every day except Tuesday, from 10 A.M. to noon and 2 to 6 P.M. Musée des Tapisseries, 28 Place des Martyrs-de-la-Résistance, is the home this summer to the oil paintings of Cézanne precursors: Joseph Vernet, August Truphème, Justinien Gant and other minor but very interesting painters of the mountain. Every day except Tuesday, 10 to noon and 2 to 5.

Atelier Paul Cézanne, 9 Avenue Paul-Cézanne, the studio where he painted in the last few years of his life, is a sort of shrine to the painter. There are, alas, no Cézanne paintings. Every day except Tuesday, 10 to noon and 2 to 3 to 6.

Musée de Vieil Aix, 17 Rue Gaston-de-Saporta, has a display of artifacts and documents relevant to pilgrimages on Sainte-Victoire. Every day except Monday, 10 to noon and 2 to 3 to 6.

Musée d'Histoire Naturelle, 6 Rue Espérance, displays a model of Sainte-Victoire and an exhibition on its ecology. Every day except Sunday morning, 10 to noon and 2 to 6. Bibliothèque Méjanes, 8-10 Rue des Allumettes, a former match factory, has a small display of fire prevention techniques. Tuesdays, Wednesdays and Fridays, noon to 6; Saturdays, 10 to 6.

Oppidum Saint-Antonin, on the mountain beyond the village of St. Antonin, a Chinese artist, Huang Yongping, has done an installation titled "Sacrifice to Fire."

Brass plaques in the sidewalk in Aix trace various episodes in Cézanne's life. Maps and other documents can be obtained at the tourism office on Place du Général-de-Gaulle at the foot of Cours Mirabeau.

Sara Wright is a free-lance journalist living in Aix-en-Provence.

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WALL STREET WATCH

California Stocks Ready For Their Day in the Sun

By Tom Petrino
Los Angeles Times Service

LOS ANGELES — In the 1980s, the California economy grew 50 percent faster than that of the other 49 states combined. With that kind of growth, you'd think the stocks of companies based in the state would have performed far better than the market, on average.

In fact, the opposite was true, at least from 1985 to 1989: An index of the 300 largest California companies, based on stock market capitalization, consistently underperformed the national Standard & Poor's 500 stock index in that period.

But in the first half of this year, the California 300 was neck-and-neck with the S&P 500. And some experts predict that the 1990s are going to favor stocks of California-style growth companies at the expense of the S&P 500 behemoths.

The California 300 index is a recent creation of Associated Capital Investors, a San Francisco money manager that handles more than \$3 billion. Associated's chief executive officer, Thomas Kelley, said the firm decided to launch the California 300 because no other benchmark existed to track stocks headquartered in the state, which has now become the sixth-largest economy in the world.

The index was given a value of 1,000 as of Feb. 28. Last week, it stood at about 1,030. The 300 companies in the index range from Chevron Corp. and Walt Disney Co. to Barry's Jewelers and Earl Scheib Inc.

Mr. Kelley said the California 300's sub-par performance in the late 1980s stemmed from its heavy weighting in oil and technology — both terrible investment areas in those years. Also, "growth" stock investing in general took a back seat to takeover mania and asset-value stock plays.

Now, Mr. Kelley says that in the early 1990s, the smaller growth stocks that are a major part of the California 300 "are going to come back and have their day in the sun." The move into those types of stocks may have begun with the surge in technology stocks in the first half of this year, some experts say.

OF COURSE, no professional money manager would invest solely in California-based stocks. But if the California 300 continues to outperform the S&P 500, it's bound to be good publicity for California's hottest growth stocks.

Associated Capital's average portfolio posted a 4.2 percent gain in the first half. Mr. Kelley said, helped by stellar gains in a number of California-based tech companies.

David Turnbough, Associated's senior vice president, said the list of the firm's favorite young tech companies now includes Irvine-based AST Research, a major personal computer maker, which closed Wednesday at \$25.50; Sausalito-based Autodesk, which makes software for computer-aided design and drafting functions (\$58.50), and San Jose-based Xilinx Inc. which makes a new type of computer chip that can be programmed by the user for specific applications (\$15.50).

Nationwide, earnings of the S&P 500 companies fell 4 percent last year, and some analysts are worried that they'll drop again this year if the economy remains weak.

Does that mean stocks are bound to go lower? Maybe not. Contrary to what many investors might suppose, the market has almost always risen in years when S&P 500 earnings have dropped, according to research by Roger Engemann & Associates, a Pasadena, California, money manager.

Last year, for example, the S&P stocks gained nearly 32 percent (including dividends), even as earnings fell.

The simple explanation for that seeming contradiction is that the stock market always looks ahead — and by the time earnings are in trouble, many investors are already betting on the next up cycle.

Earnings were weak in 1960-61, for example, yet the S&P managed a 1 percent gain in 1960, then soared 27 percent in 1961.

CURRENCY RATES

Cross Rates	July 12
Australian dollar	1.2525
British pound	1.6125
Canadian dollar	0.7125
French franc	6.5596
German mark	1.3663
Italian lira	2.3636
Japanese yen	163.26
Netherlands guilder	3.6363
New Zealand dollar	0.6725
Portuguese escudo	200.48
Spanish peseta	166.64
Swiss franc	1.4536
West German mark	1.3663

INTEREST RATES

Eurocurrency Deposits	July 12
1 month	5.15%
3 months	5.10%
6 months	5.05%
1 year	5.00%

Key Money Rates

United States	July 12
3-month T-bill	7.125%
6-month T-bill	7.125%
1-year T-bill	7.125%
3-month Treasury note	7.125%
6-month Treasury note	7.125%
1-year Treasury note	7.125%

Monetary Union Smooth, Pöhl Says

By Richard E. Smith
International Herald Tribune

BERLIN — Karl Otto Pöhl, president of the Bundesbank, said Thursday that this month's monetary union between East and West Germany went "with amazing smoothness" and he reaffirmed his view that the union would not be inflationary.

Speaking at the Bundesbank's first press conference in East Germany, he said that the "real problem" for East Germany would not be monetary but structural.

"A radical reform of the economy is absolutely necessary in the near future if major unemployment is to be avoided," he said.

Only this can make East German industry competitive and profitable, he claimed.

The press conference was held after one of the two-month sessions of the Bundesbank's central bank council, which took place in a building recently used as headquarters of the Communist Party and formerly as the central bank of the Third Reich.

The session was also attended by President Lothar de Maizière of East Germany, the East German finance minister, Walter Romberg, and West Germany's finance minister, Theo Waigel.

Mr. Pöhl commended East Germans for being cautious in their early spending of Deutsche marks and noted that not even half of the 25 billion DM (\$15.19 billion) that had been transported to East Germany had been withdrawn.

He said this was "considerably less" than the Bundesbank had expected and he believed the East Germans were likely to continue to be moderate spenders.

There had been widespread fears in some circles that East Germans, armed for the first time with Deutsche marks, might have embarked on spending sprees and this might have sparked inflation.

But Mr. Pöhl said there were no grounds at this point to say that reunification would be inflationary.

"Price developments in West Germany are extremely satisfactory," he said, noting that the June inflation figure of 2.3 percent was "almost the lowest in the world."

He said there were price pressures in some sectors operating near peak capacity, especially in the construction industry, but he added that lower import costs had partially counterbalanced this and that "a high degree of price stability" was likely to continue.

GTE to Pay \$6 Billion For Contel

Compiled by Our Staff From Dispatches

NEW YORK — GTE Corp. has agreed in principle to acquire Contel Corp. in a tax-free stock swap valued at more than \$6 billion that would create the largest provider of local telephone service in the United States, the companies announced Thursday.

Under the agreement, GTE would exchange 1.27 of its common shares for each Contel share. Based on the \$31.15 closing price of GTE stock Wednesday, the offer is worth about \$6.3 billion.

GTE closed Thursday at \$29.75, down \$1.25. Contel's stock shot up \$7.25 on the news, closing at \$35.25.

In addition to creating the largest provider of local phone service, with 17.7 million access lines, a union of GTE and Contel would form the second-largest cellular phone system.

Contel reported record earnings in 1989 of \$287 million, up 4 percent from a year earlier, on revenue of more than \$3 billion. (Reuters, AP)

Japan's Trade Surplus Widens on Export Surge

Compiled by Our Staff From Dispatches

TOKYO — The weaker yen helped Japan's exports surge in June, fueling an expansion of 27.6 percent in its trade surplus to \$6.72 billion, the Ministry of Finance reported Thursday.

Analysts said the rise in overall exports may signal a turnaround: June was only the second month in 14 months that Japan's surplus widened from a year earlier.

They noted that June's 4.7 percent year-on-year rise in exports, the first in nine months, was likely to fan fears among Japan's trading partners.

"As a general trend, Japan's trade surplus should begin to widen through the end of the year," said Hidehiro Iwaki, economist at Nomura Research Institute Ltd.

"We are seeing just how competitive Japanese companies have become," said Russell Jones, economist at UBS/Phillips & Drew International Ltd.

But Japan's politically sensitive surplus with the United States narrowed to \$3.25 billion in June from \$3.62 billion a year earlier.

The trade surplus with the European Community expanded to \$1.59 billion from \$1.53 billion in the year-earlier period.

An official with the Finance Ministry cautioned that it was difficult to discern a trend from one month's figures.

For the first six months of the year, Japan's overall merchandise trade surplus shrank 22.8 percent, to \$25.79 billion, from \$33.39 billion in the year-earlier period, the ministry said.

Economists said the yen's recent weakness accounted for much of the increase in the June surplus. A cheaper yen makes Japan's exports more cost competitive when valued in foreign currencies.

Foreign Ministry officials attributed the June reversal to a drop in import values resulting from a decrease in world commodity prices and slowed domestic demand. At the same time, the export values of many big-ticket items sold by Japan grew, they said.

Kazuko Mizuno, an economist at Baring Securities (Japan) Ltd., said export growth had accelerated since the yen began depreciating rapidly at the beginning of the year, and import growth slowed.

When the dollar is between 150 and 160 yen, "Japanese exports are quite competitive and it's quite easy for Japanese corporations to increase exports," he said.

The dollar closed at 148.90 yen on the Tokyo foreign exchange market Thursday, but has been above 150 yen for much of the year.

The 4.7 percent climb in June exports, to \$27.76 billion, was fueled in part by an 8 percent increase in car exports.

Despite the weaker yen, June exports to the United States fell 6.7 percent, to \$7.4 billion, in part because of sluggish car sales. But imports from the United States also slipped, down 3.7 percent to \$4.15 billion, partly because of slowed purchases of lumber and aircraft.

Imports fell 2.2 percent in June, to \$17.04 billion from \$17.42 billion a year ago. The decline surprised some economists who were expecting domestic demand to offset the expansion in exports.

Imports for the six months totaled \$108.15 billion, up 5.6 percent from \$102.43 billion the year before. Exports slipped 1.4 percent to \$133.94 billion from \$135.84 billion. (AP, Reuters)

He also made it clear that any action would not reflect concern that the U.S. economy was slipping over into recession.

"We still see sluggish but steady growth," he told the congressional committee.

Mr. Greenspan's testimony countered his opinion of several weeks ago that there was no evidence of a tightening of credit by the nation's banks.

Neil Bush Political Controversy Growing

Compiled by Our Staff From Dispatches

WASHINGTON — The controversy involving the president's son, Neil Bush, grew Thursday as politicians in both parties saw his role becoming a political football in the savings and loan crisis, the largest financial scandal in U.S. history.

"Neil Bush is on the verge of becoming the metaphor for an entire decade of greed, mismanagement and excess," said Representative Robert G. Torricelli, Democrat of New Jersey.

The central problem of the Democratic Party has been its inability to simply define and explain those years of excess and greed," he explained. "Now, that may become known by the name Neil Bush."

President George Bush defended the integrity of his son Neil on Wednesday as both Republican and Democratic strategists agreed that the growing attention being focused on the younger Bush's role in the collapse of a Denver savings and loan could pose a significant threat to the Republicans.

Mr. Bush's defense came as the investigation into Neil's role as a director of the bankrupt Silverado Banking, Savings & Loan appeared to intensify.

A Republican operative who is involved in preparing for the 1990 elections said, "I am afraid Neil Bush is going to become the saving-and-loan poster child."

The Office of Thrift Supervision, in documents released earlier this week, accused the president's son of engaging in "one of the worst kinds" of conflict of interest because of his dual role as Silverado director and as a business partner with two of Silverado's major lenders, who borrowed millions from the institution.

Key Republicans acknowledged that the attention being paid to the Silverado case could help the Democrats even with the heavy involvement of congressional Democrats in the scandal.

The president's remarks, given in response to a question at a news conference in Houston at the end of the economic summit meeting of leading industrialized nations, also came as the Senate approved measures to toughen penalties for those found guilty of savings and loan fraud.

The bill includes provisions for life prison sentences for offenders who conspired to steal more than \$5 million.

One troublesome issue for the president is his handling of L. William Seidman, chairman of the Federal Deposit Insurance Corp. and head of the Resolution Trust Corp., the agency created to manage the bailout.

Mr. Seidman has been under pressure from important White House officials to step aside.

(WP, NYT)

Decline in Chip Makers Called a Danger to U.S.

By Andrew Pollack
New York Times Service

SAN FRANCISCO — The National Advisory Committee on Semiconductors issued a report on Thursday saying that the U.S. electronics industry is endangered by a decline in strength of American companies that produce sophisticated equipment and materials for making computer chips.

The report did not contain two controversial recommendations that the committee had made in its first report in November. At that time it recommended the formation of a corporation to provide low-cost capital for companies and the increase of financing for Sematech, the semiconductor industry consortium.

The report called for such measures as increased tax incentives, support for education and antitrust law relaxations to encourage joint manufacturing efforts.

One person familiar with the deliberations said the White House had put pressure on the committee not to say anything about the so-called Electronics Capital Corp., which the Bush administration opposes because it would represent government support for a particular industry.

It was not clear whether a recommendation about financing for Sematech was left out because it is considered politically untenable or because the committee was undecided on the matter.

Greenspan Gives Hint Of Lower Interest Rate

Compiled by Our Staff From Dispatches

WASHINGTON — The chairman of the Federal Reserve Board, Alan Greenspan, said on Thursday that he sees evidence of a tightening in the U.S. credit market that may force the central bank to lower interest rates.

In testimony before the Senate Banking Committee, Mr. Greenspan said bank lending rates are firming despite a stable federal funds rate, the closely watched rate at which banks lend each other money overnight.

"We don't think tightening at this stage would be desirable and as a consequence may have to act to offset it," Mr. Greenspan said.

His comment sent the rate-sensitive bond market sharply higher. The benchmark 30-year Treasury bond jumped two-thirds of a point soon after.

"This lessens the fear we're headed for a recession," said Michael Metz, market strategist at Oppenheimer. "I think the market is poised for another big move. The only missing link had been evidence of whether the Fed would have to ease."

Mr. Greenspan made it clear that the Fed, if it decides to lower interest rates, will do so to offset tightening in the markets that appears to be taking place.

"We do not want to see it go too far," he said.

He also made it clear that any action would not reflect concern that the U.S. economy was slipping over into recession.

"We still see sluggish but steady growth," he told the congressional committee.

Mr. Greenspan's testimony countered his opinion of several weeks ago that there was no evidence of a tightening of credit by the nation's banks.

The Fed, concerned about the effects of inflation on the U.S. economy, has held interest rates in check for the last six months despite political pressure from the White House to lower them.

(Reuters, AP, UPI)

U.S. CITIZENS

Don't Forget To Write

There is still time to register to vote in the 1990 elections. Registering to vote absentee is easy. Contact the U.S. Embassy or Consulate, or the Republicans Abroad office in Washington D.C. for absentee registration information and assistance.

Remember, you're not liable for state taxes by voting!

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310 First St. S.E., Dept. 713-T, Washington D.C. 20003
Phone: (202) 662-1390 Fax: (202) 737-2687

★ Back President Bush. Vote Republican in 1990 ★

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Convocation à l'Assemblée Générale Extraordinaire
Nous vous prions de bien vouloir assister à l'Assemblée Générale Extraordinaire de ECU MULTIPLACEMENT qui sera tenue au siège social, 10A, Boulevard Royal, Luxembourg, le mardi 20 juillet 1990 à 15.00 heures

MARKET DIARY

Dow Tops Record In Heavy Trading

United Press International

NEW YORK — The Dow Jones industrial average surged to a record high close Thursday in heavy trading on the New York Stock Exchange, with the rally sparked by a surprisingly favorable comment on interest rates from the chairman of the Federal Reserve Board.

The Dow, which soared 41.83 points Wednesday, rallied 37.13 to

close at 2,969.80, shattering the record of 2,935.89 set June 15.

Among broader market gauges, the New York Stock Exchange composite index rose 2.21 to 199.32 and Standard & Poor's 500-stock index jumped 4.21 to 365.44.

Advances led declines by a margin of 9 to 5. Big Board volume totaled 211.5 million shares, up sharply from the 162.2 million traded Wednesday. The day the market set its last record high was

also the last day more than 300 million shares traded.

Trading was quiet until midday, when the Fed chairman, Alan Greenspan, caught the market off guard with his remarks.

In testimony before the Senate Banking Committee, Mr. Greenspan said the Fed may act to lower interest rates because of mounting evidence of a credit crunch by the state of the nation's banks.

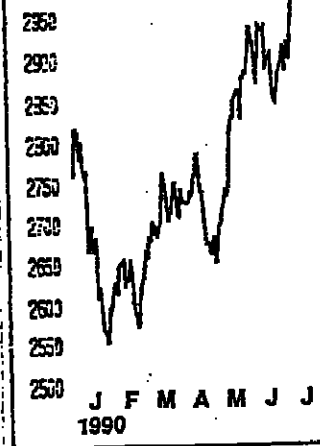
Computer Associates International was the most active issue, plunging 6 1/4 to 10 1/4 after saying that results for its first quarter ended June 30 will fall short of analysts' estimates.

Among the blue chips, IBM added 1 1/4 to 130. General Electric gained 1 1/4 to 73 1/4 and McDonald's gained 1 1/4 to 37 1/4. Prices climbed higher in heavy trading on the American Stock Exchange.

Via Associated Press July 12

The Dow

Daily closings of the Dow Jones Industrial average



J F M A M J J 1990

Via Associated Press July 12

Dow Jones Averages

Open High Low Last Chg.

Index 2969.80 2969.80 2969.80 2969.80 +41.83

Trans 115.47 115.47 115.47 115.47 +0.20

Unit 104.67 104.67 104.67 104.67 +0.17

Comp 104.67 104.67 104.67 104.67 +0.17

Standard & Poor's Indexes

High Low Close Chg.

Industries 365.44 365.44 365.44 365.44 +4.21

Utilities 127.75 127.75 127.75 127.75 +0.15

Finance 127.75 127.75 127.75 127.75 +0.15

SP 100 365.44 365.44 365.44 365.44 +4.21

NYSE Indexes

High Low Close Chg.

Composite 199.32 199.32 199.32 199.32 +2.21

Industries 199.32 199.32 199.32 199.32 +2.21

Utilities 199.32 199.32 199.32 199.32 +2.21

Finance 199.32 199.32 199.32 199.32 +2.21

NASDAQ Indexes

High Low Close Chg.

Composite 365.44 365.44 365.44 365.44 +4.21

Industries 365.44 365.44 365.44 365.44 +4.21

Utilities 365.44 365.44 365.44 365.44 +4.21

Finance 365.44 365.44 365.44 365.44 +4.21

AMEX Stock Index

High Low Close Chg.

Composite 365.44 365.44 365.44 365.44 +4.21

Industries 365.44 365.44 365.44 365.44 +4.21

Utilities 365.44 365.44 365.44 365.44 +4.21

Finance 365.44 365.44 365.44 365.44 +4.21

Dow Jones Bond Averages

High Low Close Chg.

20 Bonds 104.67 104.67 104.67 104.67 +0.17

10 Industrials 104.67 104.67 104.67 104.67 +0.17

Market Sales

NYSE 4.0 million shares

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NASDAQ 1.0 million shares

NYSE 4.0 million shares

Via Associated Press July 12

Currency Options

PHILADELPHIA EXCHANGE

Open High Low Last Chg.

Index 2969.80 2969.80 2969.80 2969.80 +41.83

Trans 115.47 115.47 115.47 115.47 +0.20

Unit 104.67 104.67 104.67 104.67 +0.17

Comp 104.67 104.67 104.67 104.67 +0.17

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Industries 365.44 365.44 365.44 365.44 +4.21

Utilities 127.75 127.75 127.75 127.75 +0.15

Finance 127.75 127.75 127.75 127.75 +0.15

SP 100 365.44 365.44 365.44 365.44 +4.21

NYSE Indexes

High Low Close Chg.

Composite 199.32 199.32 199.32 199.32 +2.21

Industries 199.32 199.32 199.32 199.32 +2.21

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Finance 199.32 199.32 199.32 199.32 +2.21

NASDAQ Indexes

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Composite 365.44 365.44 365.44 365.44 +4.21

Industries 365.44 365.44 365.44 365.44 +4.21

Utilities 365.44 365.44 365.44 365.44 +4.21

Finance 365.44 365.44 365.44 365.44 +4.21

AMEX Stock Index

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Composite 365.44 365.44 365.44 365.44 +4.21

Industries 365.44 365.44 365.44 365.44 +4.21

Utilities 365.44 365.44 365.44 365.44 +4.21

Finance 365.44 365.44 365.44 365.44 +4.21

Dow Jones Bond Averages

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10 Industrials 104.67 104.67 104.67 104.67 +0.17

Market Sales

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AMEX 1.0 million shares

NASDAQ 1.0 million shares

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AMEX 1.0 million shares

NASDAQ 1.0 million shares

Via Associated Press July 12

Dividends

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Per Share

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Yield

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Via Associated Press July 12

European Commodities

Commodity

Open High Low Last Chg.

Index 2969.80 2969.80 2969.80 2969.80 +41.83

Trans 115.47 115.47 115.47 115.47 +0.20

Unit 104.67 104.67 104.67 104.6

EUROPE

VEBA Sets Its Sights on East

Reuters
DUSSELDORF — The diversified utility VEBA AG said Thursday that it had increased its planned investments for the next five years to 30 billion Deutsche marks (\$18.2 billion) from 24 billion DM to enable the group to expand into East Germany.

The management board chairman, Klaus Filtz, told the annual shareholders' meeting that the company wants to "participate in the restructuring of the East German economy" and to "build up an advantageous VEBA position for the future."

VEBA has launched a new strategy to take full advantage of new

economic opportunities in East Germany, discarding a five-year diversification project started last year.

The development in Eastern Europe opened new perspectives, Mr. Filtz said, "which required concentration of our financial capacity."

In April, VEBA sold its majority stake in Feldmühle Nobel AG to Sweden's Stora Kopparbergs Bergslags AB. Analysis had regarded Feldmühle as the cornerstone of VEBA's diversification strategy.

Mr. Filtz also said Thursday that it was inappropriate to try to introduce a system of perfect competition into East Germany's electricity sector.

"It doesn't look appropriate to test a theoretical competition model in the East German electricity market, which is in a disastrous situation," he said. It would cost up to 60 billion DM to restructure the antiquated electricity network in East Germany, he said.

Earlier this month, the Federal Cartel Office blocked a move by VEBA, RWE AG and a unit of VIAG AG, West Germany's three largest utilities, to take over the electricity network in East Germany.

Separately, Mr. Filtz said VEBA's group net profit in the first half of this year would be at the same level as the year-earlier period.

East German Europartners Rift Seen In Lyonnais Spain Deal

Reuters
TOKYO — Nissei Opto Co. and MEI Japan Inc. reached basic agreement with Robotron-Elektronik, a state-owned electronics manufacturer, to form a joint venture to produce facsimile machines in Radeberg, East Germany, the MEI president said Thursday.

This first joint venture by any Japanese company in East Germany is expected to produce 100,000 of Nissei's G-3 type TR100 machines a year, starting in 1991, according to Kiyoyuki Yasutomi. It is expected to create 350 jobs.

The machines initially will be sold in East Germany, and then exported to Eastern Europe.

Details have yet to be decided, but the company is likely to be owned in some proportion by Robotron, MEI, its Swiss affiliate Meag Electronic AG, Nissei and a unnamed third Japanese company, the spokesman said.

It is likely to be capitalized at \$50 million, both Mr. Yasutomi and a Nissei spokesman said.

Separately, Robotron is negotiating with MEI, which is a Tokyo-based trading house, to set up production lines for videotape recorders and auto telephones.

This venture, likely to be owned by Robotron, MEI, Meag and some other Japanese companies, is expected to produce up to 3 million videotape recorders and 240,000 auto telephones annually.

MADRID — A move by the French bank Crédit Lyonnais to boost its presence in Spain, the home turf of Banco Hispanoamericano, its associate in the Europartners bank consortium, bodes ill for Europartners, analysts said Thursday.

Europartners was set up in the early 1970s by Crédit Lyonnais, Hispano, Commerzbank of West Germany and Italy's Banco di Roma. Recently the banks have been trying to boost cooperation ahead of the 1993 European single market.

But some say Crédit Lyonnais's agreement to buy into Banco Comercial Español will cause friction in the group.

Banco Santander announced Wednesday that it would sell its 83 percent stake in Banco Comercial to Crédit Lyonnais for an undisclosed price.

"It doesn't necessarily mean the end of Europartners," said Keith Brown, a banking analyst at Mor-

gan Stanley in London. "But it does throw a question mark over the group's future."

Hispano, which recently turned down a cross-holding offer from Crédit Lyonnais that would have given the French bank a strategic stake in Hispano, showed little pleasure at the news of the deal with Banco Comercial.

"This isn't in line with the direction we hoped Europartners would take," a Hispano spokeswoman said. "Crédit Lyonnais has distanced itself from the line followed by the other members."

Europartners members have been trying to consolidate their association by swapping stakes in each other.

"There had been attempts at re-creating Europartners, Mr. Brown said, but the Commercial deal "looks like one step forward, two steps back."

Banco Comercial has 111 branches throughout Spain and had assets of 163.18 billion pesetas (\$1.62 billion) at the end of 1989.

Dumez Soars, Eaux Declines

Agence France-Press
PARIS — The stock price of the Dumez construction company jumped, and Lyonnais des Eaux stock plunged in reaction to their merger when trading in their shares resumed on Thursday.

Under the arrangement, three Dumez shares will entitle holders to four Lyonnais shares. This was seen as valuing Dumez at 936 francs (\$169) compared with a previously quoted price of 641 francs.

Stock market sources said that this made Dumez shares look undervalued and made Lyonnais shares comparatively less attractive.

Dumez shares closed at 768 francs, up from 641 at Wednesday's close, after rising as high as 800 francs at one point. Lyonnais fell 100 to 602.

Report Foresees 3% Growth In French GDP During Year

Reuters
PARIS — The national statistics institute forecast Thursday that France's gross domestic product would grow by 3.0 percent in 1990.

In its half-yearly report, the institute said that the slowdown in manufacturing evident since mid-1989 had continued into 1990 but was still only moderate.

"Growth remains substantially faster than in the period from 1983 to 1986 and is still creating many jobs," the report said.

It put year-on-year GDP growth in 1989 at 3.5 percent. The government forecast for 1990 GDP growth is 3.2 percent.

The number of new jobs created in industry would probably be low-

er than in 1989, the report said, but there would be an increase in the construction and service industries.

"The overall unemployment rate can be expected to decrease until the autumn and then level off at 8.7 percent," the report said. French unemployment in May was 9.3 percent.

The statistics institute agreed with many other independent official forecasts that French inflation, at 3.1 percent, would probably be the same as Germany's by the end of 1990.

Lower dollar prices for oil and industrial raw materials, plus the strong franc, would offset higher unit wage costs.

GBL's Reclusive Frère Adopts Higher Profile

Reuters
BRUSSELS — Albert Frère, the reclusive chairman of the Belgian holding company Groupe Bruxelles Lambert, has been forced into the open since the collapse in February of the group's U.S. affiliate, Drexel Burnham Lambert Group.

He has forged an alliance with the financier Paul Desmarais, chairman of the investment group Power Corp. of Canada, and sold off several assets, apparently with the aim of establishing a bridgehead for expansion in Europe.

Last week, the two men moved closer to cementing their links by

saying they would combine their holdings in GBL and Pargesa Holding SA, the Swiss investment concern.

"Frère knows how to turn a crisis into an opportunity when he is in a tough spot," said Maurice Lippens, chairman of Groupe AG, the Belgian insurer.

Mr. Frère, 64, started in business at the age of 17, when he inherited a small family-owned nail factory near Charleroi, Belgium.

To keep costs down in the early years, he sometimes drove the firm's delivery trucks himself. Despite his subsequent globe-

troting, Mr. Frère has always lived in the Charleroi region.

He spent the 1980s quietly building a complex web of financial and industrial investments in the United States and Europe.

But the GBL empire looked shaky earlier this year when the Wall Street securities group Drexel Burnham Lambert collapsed, prompting Mr. Frère to emerge from the shadows to set things right.

GBL was forced to write off its 27 percent shareholding in the U.S. affiliate, depressing the holding company's profits by 26

percent to 4.26 billion Belgian francs (\$126.2 million).

Drexel's demise proved to some financial analysts that GBL's strategy of taking shareholdings in companies in which it had no control over management did not work.

Mr. Frère's new expansion plans are likely to include Belgium's industrial jewel, the oil company Petrofina SA, of which he was appointed chairman in May, fulfilling a long-cherished dream.

He had steadily built up his 20.5 percent stake in Petrofina over a decade.

Investor's Europe

Frankfurt Commerzbank	London F.T. 100 Index	Paris C.A.C. 40
2500	2450	2200
2300	2350	2100
2200	2250	2000
2100	2150	1900
2000	2050	1800
1900	1950	1700
1800	1850	1600
1700	1750	1500
1600	1650	1400
1500	1550	1300
1400	1450	1200
1300	1350	1100
1200	1250	1000
1100	1150	900
1000	1050	800
900	950	700
800	850	600
700	750	500
600	650	400
500	550	300
400	450	200
300	350	100
200	250	0
100	150	-100
0	50	-200
-100	-50	-300
-200	-150	-400
-300	-250	-500
-400	-350	-600
-500	-450	-700
-600	-550	-800
-700	-650	-900
-800	-750	-1000
-900	-850	-1100
-1000	-950	-1200
-1100	-1050	-1300
-1200	-1150	-1400
-1300	-1250	-1500
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-1800	-1750	-2000
-1900	-1850	-2100
-2000	-1950	-2200
-2100	-2050	-2300
-2200	-2150	-2400
-2300	-2250	-2500
-2400	-2350	-2600
-2500	-2450	-2700
-2600	-2550	-2800
-2700	-2650	-2900
-2800	-2750	-3000
-2900	-2850	-3100
-3000	-2950	-3200
-3100	-3050	-3300
-3200	-3150	-3400
-3300	-3250	-3500
-3400	-3350	-3600
-3500	-3450	-3700
-3600	-3550	-3800
-3700	-3650	-3900
-3800	-3750	-4000
-3900	-3850	-4100
-4000	-3950	-4200
-4100	-4050	-4300
-4200	-4150	-4400
-4300	-4250	-4500
-4400	-4350	-4600
-4500	-4450	-4700
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ASIA/PACIFIC

IHI Ponders Stake in GE Jet Engine Program

Compiled by Our Staff From Japanese
TOKYO — The largest Japanese jet engine manufacturer said Thursday that it was considering whether to participate in a General Electric Co. engine project and denied a published report that it had already agreed to take a stake in the program.

A spokesman for Ishikawajima-Harima Heavy Industries Co. said the report in the Japanese economic daily Nihon Keizai Shimbun that IHI had decided to invest about 40 billion yen (\$266 million) for a 10 percent stake in the GE90 project was not true.

GE has asked IHI to develop a low-pressure turbine for the GE90 high-thrust engine, a spokesman for GE's Tokyo office said. The engine is to have a maximum thrust of 95,000 pounds and be used on Boeing Co.'s 300-seat 777 jet aircraft, which is being developed for marketing in 1995.

IHI is interested in developing the turbine but cannot decide whether to join the project because much of the B777 program itself, including co-developers and customers, has yet to be decided, the IHI spokesman said.

But Nihon said that IHI had already decided in June to take a stake of about 5 percent in a bid by British's Rolls-Royce to develop an engine to compete with the GE90 for the B777.

If IHI were to participate, it would be the largest investment ever by a Japanese aeronautics firm for a jet engine development project, Nihon reported, quoting industry sources.

IHI, which controls 70 percent of the airplane engine market in Japan, is also the nation's second-largest shipbuilder.

The French concern SNECMA said earlier this month that it would take a 25 percent stake in the GE90 program.

(Reuters, AFP)

Sri Lankan Fight Consumes Foreign Exchange

Reuters
COLOMBO — Sri Lanka's military offensive against Tamil separatist guerrillas is eating up its meager foreign exchange reserves, according to economists and bankers.

Much foreign exchange was being used to import arms and ammunition, one banker said.

"Military hardware is purchased by hard cash and not R.O.U.s," he said.

Government officials declined to specify the level of foreign reserves. However, the defense budget will rise this year to 15 billion rupees (\$375 million) from about 10 billion rupees last October.

A Central Bank official said four billion rupees of the extra defense costs would be raised through the sale of war bonds and treasury deposit certificates, and another one billion rupees through a new currency note.

"It won't put pressure on food prices because the sources are all noninflationary," he said. "Even the one billion rupees was accounted for in the last October budget."

But bankers said the Central Bank was unlikely to raise much from war bonds and deposit certificates. "They would be compelled to resort to inflationary financing and new money," a banker said.

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Taipei Draft Would Ease Trade Ban With China

Reuters
TAIPEI — New proposals by the Economics Ministry would give Taiwan businessmen formal permission to export goods to China indirectly and invest there through intermediaries, according to officials.

They said the ministry had approved guidelines for indirect trade with the mainland, under which the government would remove some controls on indirect exports to and indirect investments in China, which are currently illegal.

Many local businessmen have defied the government ban since 1987, when Taiwan relaxed its policy on family visits to China.

The proposal, to be submitted to the cabinet later this month for final approval, calls for some restrictions on Taiwan's investments in China and controls on exports of military hardware and high-tech products, including computers, officials said.

Under the guidelines, Taiwan businessmen would be permitted to invest up to \$1 million without prior approval, and to indicate China as the final destination of their exports.

"This proposal sets clear guidelines for businessmen to work with," Economic Minister Vincent Siew told reporters on Wednesday.

The measure, if enacted, will allow the government to keep track of our trade and investment in China," Alexander Chan, a senior official at the Board of Foreign Trade, said in an interview.

Taiwan has so far allowed indirect imports of about 150 Chinese products, including herbal medicines, since 1988.

Taiwan's two-way indirect trade with China rose 2 percent, to \$1.12 billion, in the first four months of 1990 from a year earlier, while businessmen have invested between \$400 million and \$500 million during the same period.

Trade officials and economists said trade would top \$4 billion by the end of 1990 and investment would total \$1 billion.

Taiwan's year-end government, an alliance between 13 Labor Party and five independent "green" members of parliament, reflected "the delicate political balance between economic development and conservation," Moody's said in a statement.

The alliance might favor preserving the environment instead of boosting economic activity, cutting unemployment and reducing the state's debt burden, it said.

Taiwan's debt-service ratio was the highest of any Australian state and exceeded 25 percent of revenue last year.

"Of concern to Moody's is the ability of such a coalition to implement policies and to attract investment that will boost the local economy," the agency said.

"It's not a good thing to go everywhere," he said. "Our culture is in department stores, where we have built up a worldwide reputation. We will continue to go in this direction."

"There has been no one on the executive branch side looking out for the agencies or trying to reflect the broader national interest."

The Reagan administration hampered federal scientific and technical information programs, the report said, because it favored getting the federal government out of the business of distributing information and did not pursue policies to modernize distribution systems.

"During several years of debates on government-wide information policy, there is no evidence that Office of Science and Technology Policy has been a player in that debate," said Fred B. Wood, project director for the Office of Technology Assessment study.

Improving access to government information by modernizing storage and retrieval systems has become a controversial issue in recent years as information companies and public-interest groups have clashed over how new computerized data bases should be made available to the public. These groups now appear to be close to a compromise.

While the Bush administration has been concerned about the consequences of an industrial policy

that favors one industry over another, the report said the White House overlooked the role that the government could play by improving access to computerized technical and scientific data bases.

The Congressional Office of Technology Assessment said in a report that the U.S. government is ignoring scientific and technical information that could be one of its most valuable weapons in the battle for high-technology international competitiveness.

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Investor's Asia

Hong Kong Hang Seng	Singapore Straits Times	Tokyo Nikkei 225
3400	1600	4000
3200	1500	3800
3000	1400	3600
2800	1300	3400
2600	1200	3200
2400	1100	3000
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1800	800	2400
1600	700	2200
1400	600	2000
1200	500	1800
1000	400	1600
800	300	1400
600	200	1200
400	100	1000
200	0	800
0	0	600
0	0	400
0	0	200
0	0	0

Sources: Reuters, AFP

International Herald Tribune

Taiwan Shares Plunge Despite Broker's Denial

Reuters
TAIPEI — A major Taipei stock brokerage on Thursday denied published reports that it was in financial trouble, but the reports nonetheless helped fuel a plunge on the Taiwan stock market, where the leading index closed 6.6 percent lower.

The reports, published on Wednesday, said that Ten Jen Securities Co., capitalized at about one billion Taiwan dollars (\$37.4 million) and one of Taiwan's top 10 brokerages, faced financial difficulties.

A Ten Jen vice president, Dily Hsu, said: "Our securities firm has no financial problem and we are perplexed by the reports of financial trouble."

The latest reports on financial difficulties at brokerages followed Wednesday's announcement by Chao Chem Securities Co. that it would close after defaulting on a settlement of about 600 million Taiwan dollars.

The reports had caused Taiwan's share prices to drop sharply on Wednesday with the index falling 332.64 points, to close at 4,953.97.

On Thursday, the weighted index lost 327.88 points, to finish at 4,626.09. Volume fell to 37.6 billion Taiwan dollars from 70.9 billion.

The drive in share prices was also fueled by reports of a possible break in diplomatic ties between Saudi Arabia and China.

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SAUDI ARAB

SPORTS

In Old Comiskey, They Were (Nearly) The Chisox of 1917

By Steve Fiffer

New York Times Service

CHICAGO — On a cool, foggy afternoon in Comiskey Park's final season, what looked to be the ghosts of championships past took the field.

Wednesday was "Turn Back the Clock" day at the 80-year-old ballpark, and a sellout crowd of 40,666 saw the White Sox battle the Milwaukee Brewers while wearing uniforms similar to those worn by their 1917 predecessors, the last Sox team to win the World Series.

To capture the flavor of that championship season, there were these changes for one day at the stadium, which will be replaced next season by one being built across the street:

• The home team wore white and blue pinstriped uniforms and caps, and white stockings without stirrups.

• The stadium's electronic scoreboard was turned off and replaced by a specially built manual scoreboard in center field.

• The park's public address sys-

tem was shut down and starting lineups were announced through a megaphone from behind home plate.

• An accordion provided music instead of an organ.

Ceremonial first pitches were thrown by the children of Joe Benz, who pitched for the Sox from 1911 to 1919.

Sox personnel, dressed in costumes from the period, paraded about the park, where prizes were given to the fans dressed in the most authentic 1917 outfits.

Some prizes were rolled back, too. General admission tickets cost only 50 cents; all others went for half-price. Popcorn was 5 cents. But the 1917 replica Sox caps remained \$38. And the lights remained on because of the overcast sky.

In the box seats behind home plate, Tom Radz, 12, a Sox fan from suburban Palos Heights, wore a new cap courtesy of his grandfather and an old 1917 Sox jersey courtesy of Manny's Baseball Store.



An old-style uniform didn't help Ozzie Guillen stop Milwaukee's Robin Yount from stealing second.

Tom admitted to being captivated by the White Sox teams of the past, which he read about in the book "Say It Ain't So, Joe."

"Shoeless Joe Jackson was my favorite player of the time," Tom said. He added that he was certain Jackson had not been part of the conspiracy that saw the outfielder and seven White Sox teammates draw lifetime bans for fixing the 1919 World Series, "although he might have taken money."

Tom was able to invoke the names of other Sox players from the era, like Chick Gandil, Happy Felsch and Buck Weaver.

In the current Sox locker room, Robin Ventura, the White Sox third baseman of 1990, was asked what he thought about Weaver, the Sox third baseman in 1917.

"Absolutely nothing," Ventura said.

Dr. Adolph Nachman, 78, a pediatrician who said he started coming to Comiskey Park in 1921, recalled the old days and smiled.

"I've seen a lot of different uniforms here," he said. "I've liked all of them except the pajamas they wore in the '70s. I like the ones they are wearing today, but it's not the

uniform that makes the difference. It's the team inside."

In the game with Milwaukee, which counts in the standing, the team inside the uniforms looked like champions in taking a 9-3 lead into the eighth inning.

But it then resembled most of the subsequent White Sox teams down the years in allowing the Brewers to rally for six runs and send the game into extra innings.

When the Brewers emerged with a 12-9 victory after 13 innings, no one could blame White Sox fans for muttering, "Say it ain't so."

VANTAGE POINT/Dave Anderson

2 Men in Search of a Dugout

New York Times Service

NEW YORK — As a manager, Whitey Herzog seldom held team meetings. If he thought a player needed inspiration, he preferred to talk to him individually.

But about three weeks ago, with the St. Louis Cardinals plodding along in last place in the National League East, he addressed his team. After his oration, he looked around the clubhouse.

"Do me a favor," he said. "When they finish the national anthem and you put your caps back on, please put your brains under your caps for the next three hours."

Three hours of concentration doesn't seem like much to ask of baseball players, especially those making at least \$1 million a season. But not enough Cardinals responded to Herzog's request.

When he suddenly resigned last week, he explained, "My players are all trying. The effort is there. But sometimes I don't know if the minds are there."

Not even for three hours.

Now the Cardinals are searching for a new dugout genius. Joe Torre, once the Cardinals' catcher and the Mets' manager, now the California Angels' television voice, and Hal Lanier, once one of Herzog's coaches, have emerged as candidates.

Herzog, meanwhile, has time to go bass fishing with his pal Davey Johnson.

But something is wrong when two managers of their stature are both available.

The Cardinals and Met teams each won a World Series and shared four consecutive National League East titles before the Chicago Cubs won last year.

But no matter how successful a manager is now, eventually too many well-paid players stop listening just because they've heard it all before.

By the nature of both baseball and managers, however, expect Herzog and Johnson to be back where they belong soon: in a dugout.

Herzog and Johnson are not musical-chair managers desperate for any job. Each is position is now similar to that of Sparky Anderson when he was discharged by the Cincinnati Reds after the 1978 season.

Anderson didn't jump at the first job. He waited until he was pursued by the Detroit Tigers, a solid organization with a solid general manager.



Herzog: Doing the thinking.

Whitey Herzog now has time to go bass fishing with his pal Davey Johnson. But something is wrong when managers of their stature are both available.

Padres following Jack McKeon's decision to concentrate on his general manager's duties and give up the manager's job to Greg Gidycz.

With the Padres and the Atlanta Braves in flux, Johnson, once the Braves' second baseman, who hit 43 homers in 1973, is an obvious candidate.

Now 58, Herzog managed the Royals to consecutive American League West titles in 1976, 1977 and 1978 before losing to the Yankees each year in the American League championship series.

When the Royals failed to win in 1979, he departed on bitter terms with Ewing Kauffman, still the Royals' owner.

"Ewing was just waiting for us to lose the division so he'd have an excuse to get rid of me," Herzog once said.

Maybe that bitterness with Kauffman can be resolved, maybe not. If not, the Angels might pursue him.

Gene Antr'y, the Angels' owner, offered him a five-year \$1 million contract before the 1978 season to be a team consultant. The amount was double what Herzog was earning then as the manager of the Royals.

If an immediate offer doesn't appeal to Herzog, he might decide to wait for an offer from a future National League expansion team. Denver, St. Petersburg and Buffalo are vying for two spots.

Herzog has a ski lodge in Vail, Colorado, and he is popular in St. Petersburg, Florida, the Cardinals' spring training site.

But wherever he lands, he is unlikely to match the rapport he had with August A. Busch Jr. until the Cardinals owner, known as Gussie, died late last season.

Herzog often drove out to Grant's Farm to play gin rummy with the beer baron, who once offered him a lifetime contract.

"Your lifetime," Herzog joked, "or mine?"

As it turned out, less than a year after Busch's death, Whitey Herzog's lifetime as the Cardinals manager ended.

But he will be in a dugout again, hoping his players have put their brains under their caps for three hours.

So will Davey Johnson. And as new managers, maybe their new players will listen to them. For a while.

Mariners Topple Angels as Hanson Bests Langston in a Pitching Duel

The Associated Press

The Mariners scored a run without a hit in the seventh inning and Erik Hanson bested Mark Langston and the California Angels, 2-1, in a pitching duel Wednesday night in Seattle.

Henry Cotto drove in Pete O'Brien with the winning run in the seventh on a fielder's choice groundout.

BASEBALL ROUNDUP

Langston, who had a five-hitter, had loaded the bases after walking two and hitting a batter.

Hanson pitched a four-hitter, striking out eight and walking three before being replaced by Keith Comstock in the eighth.

The Mariners broke a 1-1 tie in the seventh when Langston walked O'Brien and hit Dave Valle with a pitch as Valle tried to bunt. Omar Vizquel's sacrifice fly sent O'Brien to third and Valle to second and Harold Reynolds was walked. Cotto hit a grounder to second baseman Johnny Ray, who forced Reynolds at second as O'Brien came home.

The Angels took a 1-0 lead in the second when Chili Davis led off with a walk. Lance Parrish singled him to third and Dante Bichette hit a sacrifice fly.

The Mariners tied the score with a run in the third.

Reynolds singled, stole second and scored on Ken Griffey Jr.'s double high off the right-field wall.

At 11, Twins 7: In Minneapolis, Jose Canseco doubled in a run in the first inning, singled in the third and hit a 435-foot, two-run homer in the five-run fourth. Canseco has had eight hits in his last 18 turns at bat, with three home runs and seven runs batted in.

Felix Jose added a three-run homer as each of the Oakland starters helped in an 18-hit attack that lifted the Athletics' lead in the American League West to two games ahead of Chicago.

Kirby Puckett had four of Minnesota's 13 hits, including two doubles and three runs batted in. His RBI single triggered a four-run ninth before Dennis Ekersley got the last out for his 26th save.

Orlando 7, Royals 5: In Baltimore, Jose Orsulak singled home the tie-breaking run in a two-run seventh inning as Baltimore got its third straight victory. Billy Ripken opened the seventh with a single off Steve Farr and went to second on a sacrifice fly. After Mike Devereaux singled, Orsulak followed with a line-drive base hit to give Baltimore a 6-5 lead. Randy Milligan followed with a single that scored Devereaux. The Orioles made it 5-5 with a three-run fourth.

Gibson Says He Is Seeking Trade for Family Reasons

The Associated Press

LOS ANGELES — Kirk Gibson has asked the Los Angeles Dodgers to trade him, saying he wants to play closer to his home in Michigan because of family problems unrelated to baseball.

The outfielder, who earlier refused to discuss the matter, said Wednesday that he told the management that he probably would not resign when he becomes a free agent at the end of this season.

The reason, Gibson said, was because of personal problems. And that was where the matter stood until Sunday, he said, despite published reports that he had earlier demanded to be traded.

He said, "I officially demanded to get out of here during Sunday's meeting."

Two weeks ago, Gibson was the subject of stories saying he wanted to be traded to Detroit. He spent eight seasons with the Tigers before becoming a free agent and signing a three-year contract with the Dodgers on Feb. 1, 1988.

Gibson met with the executive vice president of the Dodgers, Fred Claire, and the team's manager, Tommy Lasorda, to discuss his status. But the meeting in Lasorda's office, turned into a shouting match.

"One thing led to another," Gibson said. "Fred snapped at me, I snapped at Fred, and then things just exploded."

He added: "I certainly don't have anything against the Los Angeles Dodgers or the city of Los Angeles or the fans. I was never upset at the Dodgers or anyone else."

BOOKS

THE SPY IN THE RUSSIAN CLUB: How Glenn Souther Stole America's Nuclear War Plans and Escaped to Moscow

By Ronald Kessler. 275 pages. \$19.95. Scribner Book Companies, 866 Third Avenue, New York, N. Y. 10022.

Reviewed by William Hood

IN his day, Stalin would have had us believe the U.S.S.R. had no spies at all — perish the thought. Now, in the full flush of glasnost, acknowledged Soviet spies publish their memoirs and give TV interviews, and their obituaries make the front pages of the Soviet press.

In June 1989 the Soviet armed forces newspaper Krasnaya Zvezda carried an extraordinary obituary. Mikhail Yevgenyevich Orlov, a 52-year-old Soviet intelligence officer, had died suddenly. His short but brilliant... life... was totally devoted to the struggle for removing the threat of nuclear catastrophe hanging over humanity."

In a parenthesis, Orlov was identified as Glenn Michael Souther, an American. The next day, the KGB chief, Vladimir A. Kryuchkov, admitted that Souther had committed suicide.

Ronald Kessler's book tracks Glenn Souther from his birth in Munster, Indiana, to his burial in Moscow and exposes the seamy side of the sometime choirboy

and born-again Christian. Kessler has also written a stinging indictment of U.S. naval security procedures.

At school, Souther was a popular, above-average student, apparently a stereotypical product of conventional middle-class upbringing. After graduating from high school and completing a semester at Purdue, he abruptly enlisted in the navy. He was assigned to an aircraft carrier with home port in Italy. There he married an Italian woman.

Although Kessler has thoroughly explored Souther's personal life, the more interesting details of his espionage training and handling remain interred in the KGB archives. According to Kryuchkov, the recruitment occurred "early in Souther's naval career," an allegation amply substantiated by Kessler. While assigned to the 6th Fleet as a photographer, Souther made little secret of his belief in the communist system.

His apparently ideological motive for working for the KGB makes him almost unique among the recent crop of American traitors, yet his loyalty to his spymasters was sweetened with cash.

Service as a photographer with the 6th Fleet may not have given Souther much access to classified data, but the KGB had long-range plans for him. After his honorable discharge and graduation from college as a Russian-language major, he moved into the big time by enlisting in the navy reserve.

Kessler states that Souther's reserve

duties in the Navy Fleet Intelligence Center for Europe and the Atlantic, or FIC, gave him "access to all of America's nuclear war plans." But even if "all" the republic's nuclear war plans are cached in the Norfolk navy installation, it seems unlikely that any enlisted reservist — and part-time employee — would have access to the entire bundle.

Souther was first denounced as a spy by his disgruntled wife at a New Year's Eve party in 1982, but no action was taken. It was not until 1985 that his brother-in-law, a naval intelligence officer, reported his suspicions. Another eight months passed before Souther, who was drinking heavily, spending far beyond his means and talking loosely, was subjected to a low-key FBI interview.

The young spy denied contact with any foreign intelligence service, but three weeks later he left Norfolk for Rome and an ostensible visit to his by now ex-wife and their son. Souther was next heard from in 1988, when the Soviet Union announced that he had been granted asylum. After trying to contact him for a year, Kessler received a letter from Moscow in June 1989. Souther suggested that Kessler submit a list of questions for his consideration and in closing thanked the author for his "kind attentions towards my life's vicissitudes." Three weeks later, the KGB announced Souther's suicide.

William Hood is the author of the novel "Cry Spy." He wrote this for The Washington Post.

BRIDGE

By Alan Truscott

IMAGINATIVE players sometimes reject an obvious safe lead in favor of a risky one.

On the diagrammed deal, played at New York's Harmonie Club, North-South reached four hearts and West could have made the routine lead of the spade king.

As it happens, that would have permitted South to win, draw trumps and make his game.

The deal was reported by Jack Soncinick who chose to lead the diamond king and struck gold.

He won the first trick, continued the suit, and overruled South on the third round.

But now he led the spade king and discovered that this play was still the wrong one.

Warren Tenney, sitting South, took his ace and led out all his trumps to squeeze West in the black suits.

The winning defense was not obvious. After the overruff at the third trick, it was vital for West to shift to a club, cutting South's communications before he had an opportunity to draw trumps.

NORTH			
♠ J43	♥ 10	♦ 875	♣ AKJ98
WEST	♠ KQ65	♥ 9843	♦ 98
	♠ 10754	♥	♦ AKQ876
EAST			
♠ 82	♥ J52	♦ AKQ84	♣ 632
SOUTH (7)			
♠ AK87	♥ AKQ876	♦ 32	♣ Q

Neither side was vulnerable. The bidding:
 South West North East
 1 ♠ Pass 1 NT Pass
 2 ♠ Pass 4 ♠ Pass
 West led the diamond king.

PEANUTS



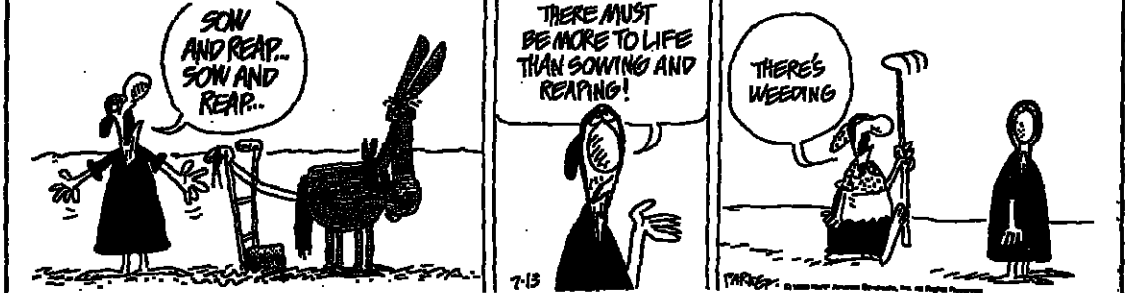
BEETLE BAILEY



ANDY CAPP



WIZARD of ID



REX MORGAN



GARFIELD



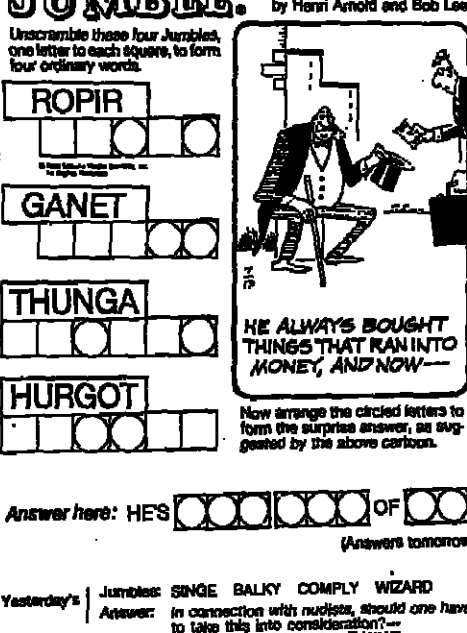
DOONESBURY



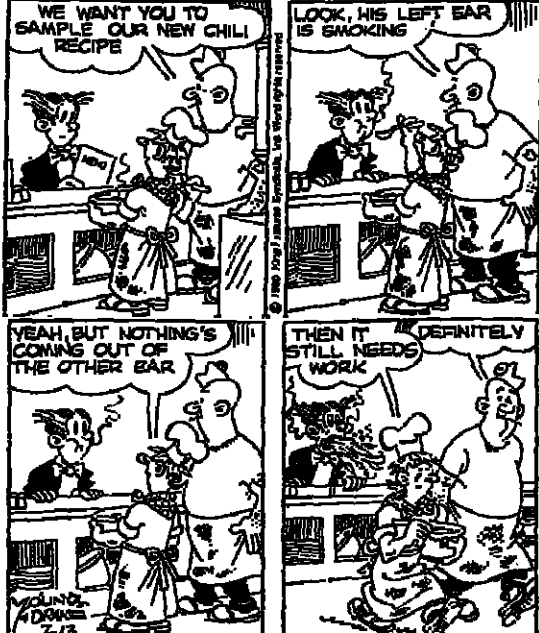
DENNIS THE MENACE



JUMBLE



BLONDIE



SPORTS

Will America's Soccer Fans Be Refound in Time?

By Malcolm Moran

New York Times Service

NEW YORK — Where have all the people gone? They were right here just a little while ago, standing in long lines that led to ticket windows, lines that seemed to signal soccer's arrival as an important factor on the U.S. sporting landscape.

They were devoted enough to navigate the underside of the Triborough Bridge to locate the now forgotten Downing Stadium.

Their music possessed enough energy to transform Yankee Stadium — the old, staid, pre-renovation Yankee Stadium — into a carnival when international matches came to the Bronx.

And then they did the impossible. They formed long lines into the parking lots at the Meadowlands. They filled Giants Stadium.

They brought their children and filled up on hamburgers and hot dogs on their way to see the Cosmos play. Across the country, during the 1984 Olympics, they even filled the Rose Bowl.

A generation of children, the heart of the Soccer Boom, was learning a new sporting order: hot dogs and soccer, without the riots.

frequently enough that a Cosmos official joked that perhaps one day the Giants would be playing in Cosmos Stadium.

The children have all become old enough to use their own credit cards on their own leisure time, and the development of the cable television industry has created a demand for sports programming that has

from the boom years to precede the children who play today: the ones who watched the game on CBS and learned from the sharp opinions of the commentator Danny Blandflower in the late 1960s; those whose parents dragged the family

grill to the Meadowlands parking lot in the 1970s, and the lost soccer kids of the 1980s, who were left

A generation of American children, the heart of the Soccer Boom, was learning a new sporting order: hot dogs and soccer, but without the riots.

even embraced tractor pulls and beach volleyball.

And yet when the American soccer establishment explains its hopes for the United States to embrace the 1994 World Cup, we still hear about the legs of all those little children, churning toward thousands of goals from coast to coast. It's as if the population of the Soccer Boom has disappeared.

The senior members of that group have grown old enough to qualify for a seniors league. There were really three segments

from the boom years to precede the children who play today: the ones who watched the game on CBS and learned from the sharp opinions of the commentator Danny Blandflower in the late 1960s; those whose parents dragged the family

grill to the Meadowlands parking lot in the 1970s, and the lost soccer kids of the 1980s, who were left

with a disappearing outdoor league and the consolation prize of a scaled-down indoor game.

Challenges issued in Rome last week by international reporters for U.S. organizers to justify the location of the 1994 World Cup tournament seemed to be based on the incorrect premise that the sport became dormant in the United States because Americans rejected the game.

It wasn't a bad game, just bad business. When the North American Soccer League looked at its spectacular success in New York and its solid if more modest support in places like Minnesota, it misjudged and expanded too fast, demanding too much, too fast, of a limited talent pool operating in new markets.

The league achieved its success despite a small number of international stars, most of whom were on the downside of their careers, playing on artificial surfaces often within patchwork facilities. Even if games were played at nowhere near the pace of inspired international play, the formula was working.

A comparatively slow pace didn't seem to matter. For years, the wheels of American audiences had turned when a pitching coach took a walk and deposited tobacco juice on a mound; when the fullback gained a yard up the middle on first down; when the basketball substitute came off the bench to commit a

thoroughly intentional foul to stop the game once more and place the poor free throw shooter on the line, or when hockey players jostled for position on a face-off while a linesman waited and waited and waited with the puck in his hand.

No one seemed to mind when games arrived at awkward stops because of the need for commercials, or when natural pauses were extended to sell more time. Dreaury Super Bowls happened, we were told, because conservative coaches were too cautious to open things up, not because anything was wrong in the game.

A slow moving World Series was a result of cold weather, or the emotional residue of a high pressure league championship series. The National Collegiate Athletic Association basketball tournament has gained once unthinkable riches by marketing a one-loss-and-out format, and the slow moving Princeton-Georgetown game of 1989 stands as the best recent example of sporting theater that allowed the tension to build and build and build — at a walking pace.

So what is so different between that and a 1-1 World Cup semifinal game? The only difference is that the poor decisions of the professional league more than a decade ago have placed the U.S. organizers in the unfortunate position of having to renew a generation's appreciation within a period of four years.

The problem with soccer in America is little more than a missing persons report.



Claudio Chiappucci during Thursday's race against the clock, in which he won the yellow jersey.

Chiappucci Seizes Tour Lead

Weary Pensecalters in Time Trial on Day of Upsets

By Samuel Aht

International Herald Tribune

VILLARD-DE-LANS, France — A day after he became the man to beat in the Tour de France, Ronan Pensecalters was beaten, and badly, on Thursday in an individual time trial and lost the overall leader's yellow jersey.

"Do I really have the yellow jersey?" gasped an unbelieving Claudio Chiappucci as he tried to recover his breath after crossing the finish line.

An Italian who rides for the Carrera team, Chiappucci had been kept informed of his and Pensecalters' times by a team car during the 33.5-kilometer (nearly 21-mile) uphill race against the clock. It began in the town of Fontaine, outside Grenoble, and ended in the lushly green resort of Villard-de-Lans.

When Chiappucci asked the question Pensecalters was still out on the road and nothing was official. The Frenchman led the Italian, who was in second place, by 1 minute, 28 seconds, at the start of the stage, and not until Pensecalters had failed to cross the line in less than that time did the jersey symbolically change hands.

The literal and official change occurred shortly after a weary Pensecalters had his way over the line nearly three minutes behind his challenger.

The time trial was won by Erik Breukink, a Dutchman with the PDM team, in 36 minutes, 52 seconds.

Second, 30 seconds slower, was Pedro Delgado, a Spaniard with the Banesto team, who won the Tour in 1988 after launching his drive with a victory in the same Villard-de-Lans time trial.

Third, 43 seconds behind Breukink, was Miguel Indurain, another Spaniard with Banesto.

"I thought Pensecalters would be exhausted after his hard climb yesterday and so I went all out today," Chiappucci said, referring to Wednesday's storming of Alpe d'Huez.

Chiappucci lost 38 seconds to Pensecalters in that climb but rode a more measured and less tense race.

Pensecalters was not the only one to show ill effects after that long and steep ascent, the most demanding in the three-week race.

Greg LeMond, normally an extraordinary time triathlete, struggled badly in the last kilometer Thursday. He finished fifth overall in the field of 170 riders left of the 198 who started June 30.

Although he fell from third place overall to fourth behind Breukink, LeMond was a big winner on this day of upsets: Now that Pensecalters, his fellow rider on the Z team, is no longer the leader, the American can feel free to go on the offensive.

For the two days of Alpine climbs this week, LeMond was restricted by strategy and team etiquette from riding to the attack against Pensecalters. Now LeMond has been unleashed.

The big question is his form, which was almost invisible only two months ago following a winter spent in pursuing commercial interests rather than training.

After a week of rain in the Tour, LeMond has flowered in the hot sun of the last few days. He rode strongly up Alpe d'Huez, losing the victory by less than half a wheel, and any rider other than the first four would have been thrilled by his fifth place Thursday.

With a day off Friday for some rest, LeMond appears ideally placed to try to win the Tour de France for a second straight year.

Breukink appeared to share this thought. "I know Greg," he said, "and the only thing for him is winning. Pensecalters' morale can't be any good now, so I look for Greg to attack in the Pyrenees."

The race gets there Tuesday. LeMond has some formidable rivals ahead of him in the overall standings, however.

The 27-year-old Chiappucci, who leads by 1:17, was the top-rated climber in the Giro d'Italia in June and in the Paris-Nice in March, where he startled his opponents by beating the redoubtable sprinter Moreno Argentin in his specialty.

Chiappucci was eighth overall in Thursday's time trial, in which Pensecalters was 49th, so the Italian can do it all, if not necessarily in the same race.

After Pensecalters, a strong climber, comes Breukink, 6:55 behind and another strong climber. In fourth place, 7:27 behind, is LeMond, who started the day 9:04 down.

By losing, he gained, which was simply one of many of the day's surprises.

West German Urges Quick Soccer Merger

United Press International

BONN — Fearing that East German soccer might "bleed to death" through an exodus of players to the West, a West German soccer official on Thursday called for a quick merger of the East and West German leagues.

According to West German Soccer Association plans, the soccer leagues are not to be joined before 1992.

"If we don't act, East German soccer will bleed to death," said Engelbert Nette, a member of the president of the West German Soccer Association, which is currently meeting in Frankfurt.

Nette said he feared that "the young talents will go over and join West German clubs" if the reunification date was not moved up.

In recent months, dozens of East German players have left their clubs to join clubs in the West. Nette said that this exodus, along with the growing momentum toward political reunification, was increasing the pressure to set an earlier unity date for soccer.

"We have a timetable that is no longer right," he said. "Chancellor Helmut Kohl has said that 1990 will be the year of German unity, and not 1991 as we thought earlier."

Nette, who is also a member of the West German parliament, said that when the soccer body's president, Hermann Neuberg, drew up plans for the soccer merger, he had thought political reunification would happen in 1991.

With the decision to hold all German elections on Dec. 2, it has become more likely that the two states will become one before the end of the year.

Because of the impending reunification, Nette said, East Germany should withdraw its national team from qualification matches for the 1992 European Championships.

He said East and West German teams should meet for a friendly match on Nov. 21, the day when the two teams are scheduled to meet for their first qualifier for the European Championship.

UEFA, European soccer's governing body, dismissed on Thursday the suspended prison term given to a Belgian official who was linked to the 1985 Heysel stadium disaster as "unacceptable," Agence France-Press reported from Bern.

The body's executive committee "learned with indignation" of the three-month suspended sentence handed down by a Brussels appellate court against Hans Bangert, the former general-secretary of UEFA.

UEFA has appealed the decision, which was issued late last month.

The court found that UEFA, the Belgian football federation and the Belgian police were partly to blame for the violence, in which 39 people died, at the Champions' Cup final between Liverpool and Juventus.

UEFA wanted that the court finding "tends to render UEFA responsible for the organization of all matches that take place simultaneously in Europe during UEFA competition."

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Derrick Coleman hopes that an Italian offer too good to refuse doesn't surface — or he'll take it.

Nets Be Warned: Coleman Dangles A Possible Stint in Italian League

The Associated Press

EAST RUTHERFORD, New Jersey — Derrick Coleman will play for New Jersey — provided the Nets offer the National Basketball Association's top draft pick a good contract and a foreign team doesn't make him an offer too good to refuse, according to his attorney.

"Derrick wants to play in the NBA and he will play for the New Jersey Nets," Harold MacDonald, Coleman's attorney said Wednesday.

"Is Italy a possibility?" he added. "It is if it comes in with something far over the market value, like \$10 million a year, and the Nets come in with something far under market value, like \$350,000 a year."

MacDonald would not discuss how much money his client was seeking from the Nets. He said he hoped to get Coleman a five-year guaranteed contract, which is what recent No. 1 draft choices have gotten.

Willis Reed, the Nets senior vice president of basketball operations, said he planned to meet with MacDonald and Dave Bing, Coleman's adviser, on Tuesday for preliminary contract talks.

"The biggest problem is in terms of time and logistics," Reed said at a news conference here in which Coleman met with the media. "We want to get it done by Sept. 1. By that time the new increase in the salary cap will have taken effect."

The current NBA salary cap, the amount of money a team can spend on player contracts, is \$9.8 million. The cap is due to increase on July 31 and estimates are that it could reach \$13 million, which would mean the Nets would have more to spend to sign Coleman, the 6-foot-10 (2.08-meter) Syracuse star who set the National Collegiate Athletic Association record for career rebounds.

MacDonald dismissed speculation that Coleman did not want to play for the Nets, whose 17-65 mark was the worst in the NBA last season.

Danny Ferry, the No. 2 selection in last year's draft, signed a big contract and played in Italy last season. The Los Angeles Clippers eventually traded his rights to Cleveland.

"We're not pulling a Ferry and saying we don't want to play with the Nets," MacDonald said. "Derrick is not trying to avoid playing for the Nets."

Coleman seconded that opinion. "I haven't considered Europe as an option at all," he said. "My dream has been to play in the NBA."

"I know this team needs work and I hope I can help in any situation possible," he added.

■ **Nuggets Get a Manager**

The Denver Nuggets' tortuous search for a general manager has ended at Bernie Bickerstaff's doorstep, The Associated Press reported.

Bickerstaff, who coached the Seattle SuperSonics for five seasons before becoming the team's vice president of basketball operations on May 15, was named general manager of the Nuggets on Wednesday.

The appointment of Bickerstaff, 46, filled a post that had been in limbo for five months.

The Nuggets' president, Carl Scheer, called Bickerstaff "the guy who's going to be the architect of a new regime in Denver."

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SIDELINES

Graf Is Treated for Sinus Problem

HEIDELBERG, West Germany (Reuters) — Steffi Graf, the world's top-ranked women's tennis player, has undergone an operation here for a sinus condition and is expected to be off the court for as long as a month.

Graf, who was defeated by Zina Garrison of the United States in the Wimbledon semifinal, was released Wednesday after the operation at the Heidelberg University hospital, her doctors said Thursday.

At Wimbledon, Graf said she planned to undergo the operation at the end of the year. But she was persuaded by doctors to seek an earlier solution to the sinus problem, which has troubled her for some time.

Maradona Sued for 'Traitor' Remark

BUENOS AIRES (UPI) — A retired Argentine soccer player, Jose Francisco Sanfilippo, has sued the national team's World Cup captain, Diego Maradona, for libel in a dispute over who should be called the greatest player of all time.

Sanfilippo said that "this boy," referring to Maradona, "called me a traitor because I said that Pelé was a more rounded player than he was." Pelé was the former Brazilian soccer superstar. In his complaint, Sanfilippo is seeking to have Maradona imprisoned for six months and barred from leaving Argentina.

Press accounts say that when Maradona was asked about Sanfilippo's remark that Pelé, and not Maradona, was the best in the world, the Argentine replied that Sanfilippo was "anti-Argentine and a traitor." Sanfilippo was on the Argentine national soccer team in the 1960s.

Canada to Face U.S. in Lacrosse Final

PERTH, Australia (AP) — Canada has advanced to the World Series Lacrosse final against the United States after defeating Australia, 26-17, Thursday in a round-robin match.

Tom Marechek scored five goals to lead the Canadians into Sunday's final against the Americans, the defending champions who have won three matches and lost none.

In the other match Thursday, England won its first game by beating the North American Iroquois Indian team, 15-12.

Sampdoria Signs Mikhailichenko

GENOA (Reuters) — The European Cup winners' Cup champions, Sampdoria, said Thursday that they had signed Alexei Mikhailichenko, the Soviet international, for three years.

Club officials declined to say how much Sampdoria had paid Dynamo Kiev for the 27-year-old midfielder. Italian newspapers estimated the deal was worth about \$5 billion lire (\$5.4 million).

Mikhailichenko missed the World Cup tournament after a shoulder injury and two knee operations earlier this season. He was expected to play his last match for Dynamo Kiev on Thursday and arrive in Italy this weekend. He is to replace Victor Munoz of Spain, whose two-year contract is expiring.

For the Record

Iran Barkley, the former middleweight champion, has passed a medical examination of his left eye and been cleared to fight a 12-round bout against Nigel Benn of Britain on Aug. 18 in Las Vegas. Barkley underwent surgery in January to repair a detached retina.

Roy Campanella, 68, the Hall of Fame catcher, was released earlier this week from a hospital after three weeks of treatment for respiratory problems. Campanella, who played 10 seasons with the Brooklyn Dodgers and was paralyzed in a car accident in 1958, spent the first four months of this year in the hospital for similar treatment.

Mario Lemieux, star of the Pittsburgh Penguins hockey team, has undergone successful surgery for a spinal injury and should be ready to play in the season opener on Oct. 5. He missed 21 of the last 22 games last season.

20 Minutes, 2 Holes in One, 1 'Basket Case'

The Associated Press

BELLEVEILLE, Illinois — Most golfers don't even bother to dream of doing what John Morse did the other day out on the course: make two — repeat two — holes in one, and in less than 20 minutes.

The par-three Yorktown Golf Club had never seen anything like it either. Morse first ace'd the 117-yard (106-meter) eighth hole, and then promptly repeated his feat on the 130-yard tenth.

The 45-year-old golfer, who tackles the course two or three times a week, summed up his accomplishment on Tuesday with, "It was quite an experience."

He has been playing 15 years and has recorded five aces — all of which came in the last two years.

Here's how he did it: On the No. 8 tee, Morse pulled out a seven-iron. The shot went higher than he had wanted, and then took one big bounce before landing on the green.

"It just kept rolling, and then it just disappeared," Morse said. "After that happened, I was surprised I could still swing a club. I was shaking like a leaf."

He recovered enough to at least bogey No. 9. At the 10th, he reached for his eight-iron. He punched his shot short of the putting surface, and the ball ran all the way to the back of the green and into the hole.

Then it was celebration time. "It was running all over the place," said Morse, a shop foreman at Belleville Glass Co. in this southwest-ern Illinois town. "I was a basket case."

George Lewis, the manager of the Yorktown course, said he could not recall anyone sinking two tee shots on the same day at his course in the 15 years he has been working there.

Morse finished his once-in-a-lifetime round with a score of 59 on the par-54 course.

SCOREBOARD

BASEBALL

Major League Standings

AMERICAN LEAGUE

East Division

W	L	Pct.	GB
46	34	.573	0
45	35	.563	1
40	40	.500	6
41	40	.513	5
37	44	.455	9
36	45	.444	10

West Division

W	L	Pct.	GB
52	31	.625	0
48	35	.577	4
47	36	.567	5
44	40	.525	9
44	41	.519	10
36	49	.424	18

NATIONAL LEAGUE

East Division

W	L	Pct.	GB
49	32	.605	0
47	34	.580	2
46	35	.569	3
41	40	.513	8
39	42	.479	10
38	43	.466	11

West Division

W	L	Pct.	GB
50	31	.617	0
48	33	.594	2
47	34	.580	3
43	38	.528	7
42	39	.519	8
35	46	.435	15

Wednesday's Line Scores

AMERICAN LEAGUE

ALBANY	5-0	5-0
CHICAGO	5-0	5-0

